PeopleIN

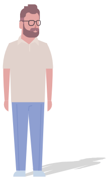
We are the largest
ASX-listed talent
solutions company.

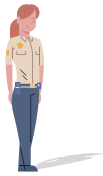
PeopleIN Limited ACN: 615 173 076

ANNUAL REPORT FY22

OUR PURPOSE

TO INSPIRE EXCELLENCE IN OUR PEOPLE





PeopleIN offers a complete talent solution across a diverse range of sectors.

We connect thousands of people with work every week. With more than 20 years of growth behind us, we are uniquely structured to provide deeply specialised talent solutions at scale.

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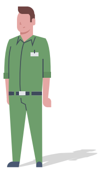


LETTER FROM
THE CHAIR

DEAR SHAREHOLDERS

PeopleIN, the leading talent solutions business in Australia, is pleased to report another strong full year result. This positive performance is largely due to the diverse nature of business operations across growing employment markets.

REVENUE
$682.4m ▲ +53.6% PCP

ORGANIC GROWTH CONTRIBUTION OF +15.9%

NORMALISED EBITDA
$47.2m ▲ +23.9% PCP

ORGANIC GROWTH CONTRIBUTION OF +10.5%

FY22 TOTAL DIVIDENDS OF 13 CENTS
+23.8% PCP

OUR AMBITION

We made huge strides to cement this position in the reporting period. We now connect more than 33,500 people to roles every year and are uniquely structured to provide deeply specialised talent solutions at scale, across a broad range of sectors.

As we look ahead it's worthwhile reiterating our long-term vision to be Australia's leading talent solutions company, delivering innovative services for our clients across a number of sectors.

THE VALUE WE CREATE

For the fifth year in a row as a public company, we continued to deliver on the expectations of our stakeholders. PeopleIN generated positive returns for our shareholders with the business growing considerably during FY22.

We achieved sustained organic growth in existing and new markets driven by diversifying our client base, cross selling amongst our family of brands and investing in strategic growth initiatives.

The breadth of our activities enables us to draw on cross-sector experience to identify whole of business solutions for a growing number of clients. A recent example of collaboration between two of our verticals - Industrial and Specialist Services (ISS) and Health & Community - saw us win a national tender with a leading international healthcare provider to deliver both industrial staff (chefs, kitchen and maintenance personnel) and nursing and personal care workers for this client.

During the year we established two permanent recruiting businesses – Next in Health and AWX Executive. We also completed four strategic acquisitions which saw us welcome Vision Surveys QLD, GMT People, Perigon Group and FIP Group to the PeopleIN family. The strong performance of these acquisitions contributed $6.6m in EBITDA to the business.

The Merger & Acquisition (M&A) remains strong, with a focus on the healthcare and community sectors and professional services government contracting. In keeping with our growth strategy, we have retained balance sheet capacity of circa ~$30m to execute on strategic opportunities in FY23.

SHARED VALUE

We continued our shared value journey as a purpose-led company, implementing initiatives which harness the resources, skills and innovation of our people and brands to create a shared value for our people, clients, investors and the communities in which we work.

I would like to thank my fellow directors for their guidance and support over the past year. Our Board membership has grown as we welcomed Dr Vu Tran as an independent Non-Executive Director. A medical professional and tech entrepreneur, Vu's skillset in leveraging technology to develop innovative solutions at scale will be invaluable to PeopleIN as it solidifies itself as a leader in the provision of technology-enabled talent solutions.

Finally, I'd like to thank our CEO and Group Leadership Team for their ongoing commitment to ensuring PeopleIN remains a leader in its field and an exemplar to others in the sectors in which our brands operate.

Thank-you for your continued support for PeopleIN.

Glen Richards
Chair

4.8 MILLION
TREES PLANTED
VIA TIMBERWOLF

ECONOMIC CONTRIBUTION
PEOPLE IN WORK
10,000 - 15,000
CANDIDATES PER WEEK

750+ FIRST NATIONS
CANDIDATES PLACED

KEY PARTNERSHIPS
WITH PARTNERS
ON COUNTRY

PALM COMMUNITY
INDUSTRY LEADING
COMMUNITY OF
CARE MODEL

NDIS SUPPORT
>35,000 HOURS PROVIDED
TO NDIS PARTICIPANTS

CEO'S

UPDATE

DEAR SHAREHOLDERS

Despite varied challenges, including those brought about by natural disasters and the pandemic, PeopleIN had a strong financial year. Our success is due to the commitment of our team to consistently deliver, as well as the diversity of our reach into high demand and defensive employment sectors.

As the largest ASX-listed talent solutions business, we're currently operating in a strong market for staffing companies as low employment rate, and high turnover of clients' employees, drives demand for recruitment and staffing services. Wage inflation is also driving higher margins. Demand for staff is strong in each of the sectors in which we work, and the diversity of our clients means the core business is resilient in times of economic uncertainty. Our business resilience is underpinned by the defensive sectors we service.

PeopleIN continues to pursue initiatives which address labour supply shortages. We are doing this via international recruitment and upskilling, sustained investment in an international nursing network as well as cross-selling opportunities across our 4,000+ client base. We have also strategically aligned with the Australian Government's focus on bolstering the country's workforce, with the intention of leveraging our footprint in the Pacific Australia Labour Mobility (PALM) scheme to solve critical labour shortages in the food services, aged care and community services sectors.

Our Merger and Acquisition (M&A) pipeline remains strong in health, community and professional services government contracting and we continue to explore opportunities to add to our footprint in these sectors.

We also continue to drive a strong cash and cost discipline across the group, utilising the scale of the business. In addition, we are investing in a systems upgrade program as we move towards becoming a more technology enabled company.

During the reporting period we worked within three main verticals: Health and Community, Professional Services and Industrial & Specialist Services.

HEALTH & COMMUNITY

As a leading provider of talent solutions to the Health & Community sectors, we provide staff to nursing, care, disability, mental health and child protection workforces. We have one of the largest workforce of supplementary nurses and personal carers on Australia's eastern seaboard.

OUTLOOK

- Leverage international recruitment experience to secure nurses and carers. This includes recruitment from the UK, as well as building on our PALM capability to supply to our clients in the aged care and community sectors.
- Continued strong demand from clients.
- Extend rural and remote offering into NT and WA.

PROFESSIONAL SERVICES

This long-term high-growth vertical includes staffing service business Halcyon Knights as well as the Perigon Group which was acquired in February 2022 and our advisory business, Project Partners. We are positioned as a leader in Professional Services recruitment focusing on technology, accounting, finance, business services support and IT advisory.

Project Partners, has also grown substantially throughout the year. We continued to leverage the advisory services business's front-end engagement with clients to win work for our professional services staffing businesses.

OUTLOOK

- Technology and professional services talent remains in high demand with ongoing client investment in digital transformation projects and finance support; no margin pressure.
- Roles in cybersecurity and data remain extremely competitive and talent is short. PeopleIN brands have a strong foothold in these industries.
- We forecast growth on the back of market dynamics, increased internal capacity to support growth, cross-selling and key client wins which provide hiring at scale.
- We are building on Halcyon Knights' Government Specialist Division. A significant pipeline of Request for Tenders submitted in recent months should see an increase in our Government and Education footprint in FY23.

INDUSTRIAL & SPECIALIST SERVICES

PeopleIN continues to be a leader in providing general staffing services to small and medium sized businesses across Australia in a wide range of sectors including industrial, food services, childcare and hospitality. We further provide specialist services such as asset management and contract planting. Two businesses were acquired during the year — Vision Surveys Qld and FIP Group. Integration is progressing well, and both are meeting performance expectations.

OUTLOOK

- Strong demand from clients and no margin pressure.
- Focus on onshoring international labour including through the PALM scheme and extending to other verticals.
- Continued growth in Blue Collar Executive and Techforce's east coast presence.

In the past 12 months we've seen the world move forward and businesses adapt to the corporate and social impacts of a much-evolved public health landscape. While there remains uncertainty, I'd like to recognise the resilience and commitment of our people to deliver for our clients and candidates despite this adversity. Our growth during this period is a testament to our teams and to the exceptional leaders within each of our PeopleIN businesses who have continuously sought new opportunities and solutions and proven their dedication to inspiring excellence in our people. As a result, we continue to enjoy the loyalty of both candidates and clients within the wide range of long term growth sectors in which we operate.

Finally, thank you to our directors for their leadership, to the Group Leadership Team and all our people, for their work and commitment to our continued success.

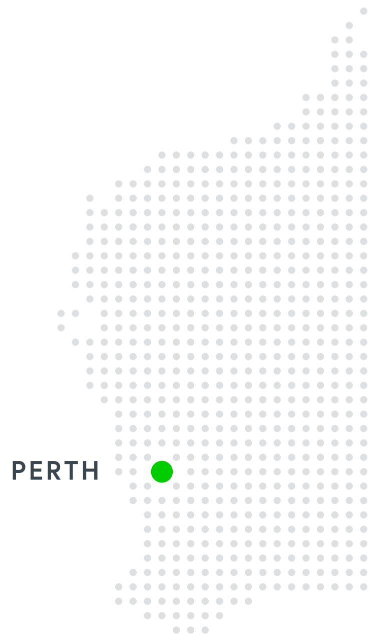
Ross Thompson
Chief Executive Officer

A COMPLETE TALENT SOLUTION

WHO WE ARE

PeopleIN is the largest ASX-listed talent solutions company.

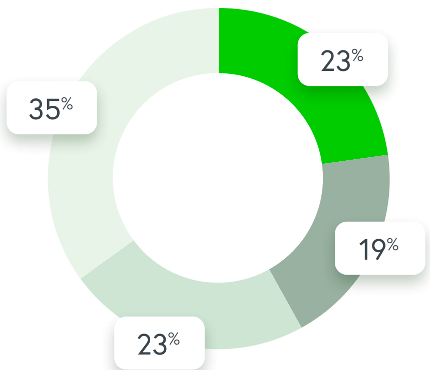
We have 26 brands across three key verticals: Healthcare & Community, Professional Services, and Industrial & Specialist Services. More than 850 internal staff in Australia, New Zealand and Singapore helped provide employment to over 33,500 people in FY22 from a candidate pool of more than 55,000.



REVENUE MIX

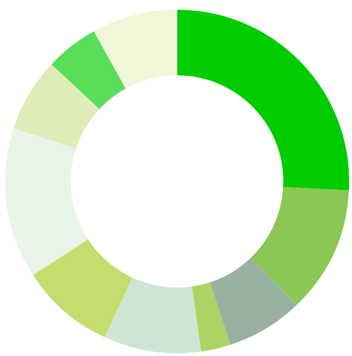
5%	90%	5%
Perm Revenue	Contractor Revenue	Other

EBITDA CONTRIBUTION BY VERTICAL



- Industrial
- Specialist Services
- Health & Community
- Professional Services

SECTORS BY GM CONTRIBUTION



- **26%** Health
- **7%** Government & Education
- **9%** Hospitality & Retail
- **14%** Technology
- **5%** Professional Services
- **12%** Resources & Renewables
- **3%** Manufacturing
- **9%** Construction
- **7%** Food Services
- **8%** Other

BUSINESS SNAPSHOT

26 BRANDS
850+ INTERNAL STAFF

40+ LOCATIONS
ACROSS AUSTRALIA, NEW ZEALAND & SINGAPORE

55,000+
CANDIDATE POOL

10,000 – 15,000
PEOPLE IN WORK PAYROLLED EVERY WEEK

4000+
BUSINESSES

250+
APPRENTICES & TRAINEES EMPLOYED

POWERED BY PEOPLEIN

OUR FAMILY OF BRANDS

OUR THREE KEY VERTICALS

Committed to our cause of inspiring excellence, we've spent decades carefully building a network of workforce brands that share this passion for quality service - for clients, candidates and their teams.

INDUSTRIAL & SPECIALIST SERVICES

PROFESSIONAL SERVICES

WHY WE'RE DIFFERENT

Each brand in our family is 'powered by PeopleIN', with the Executive and Shared Services teams working to support the brands to win more work and find talent for our clients.

HEALTHCARE & COMMUNITY

Australian Healthcare Academy

NNA Network Nursing Agency

swingshift nurses

VNS

FIRST CHOICE CARE REMOTE & RURAL

Carestaff Nursing Services

NNA Direct Support Service

FIRST CHOICE CARE NURSING AGENCY

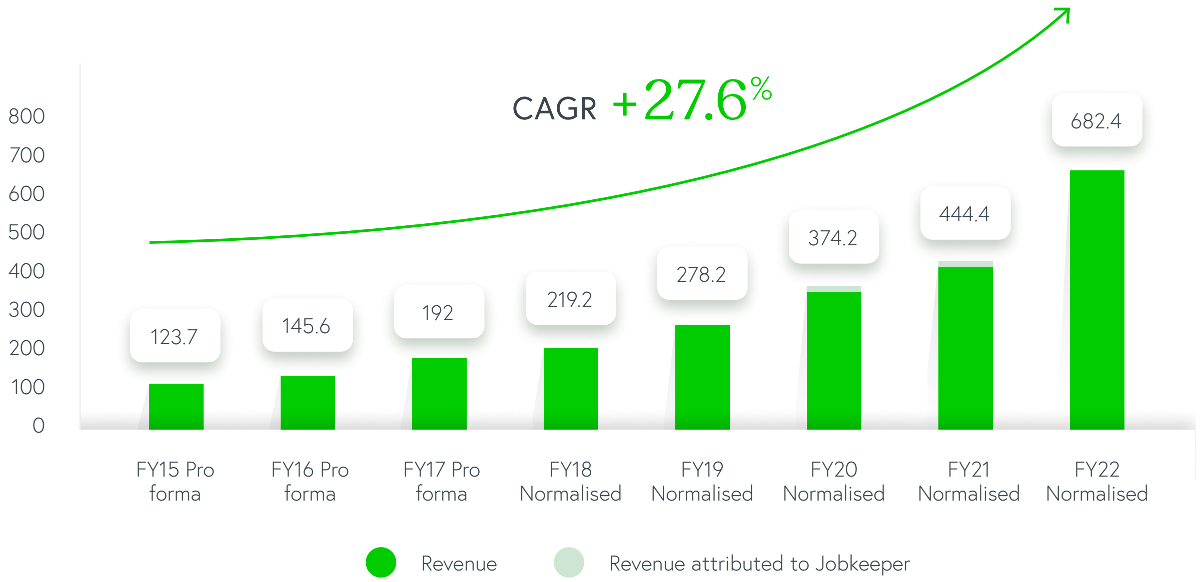
Next in Health

edmen community staffing solutions

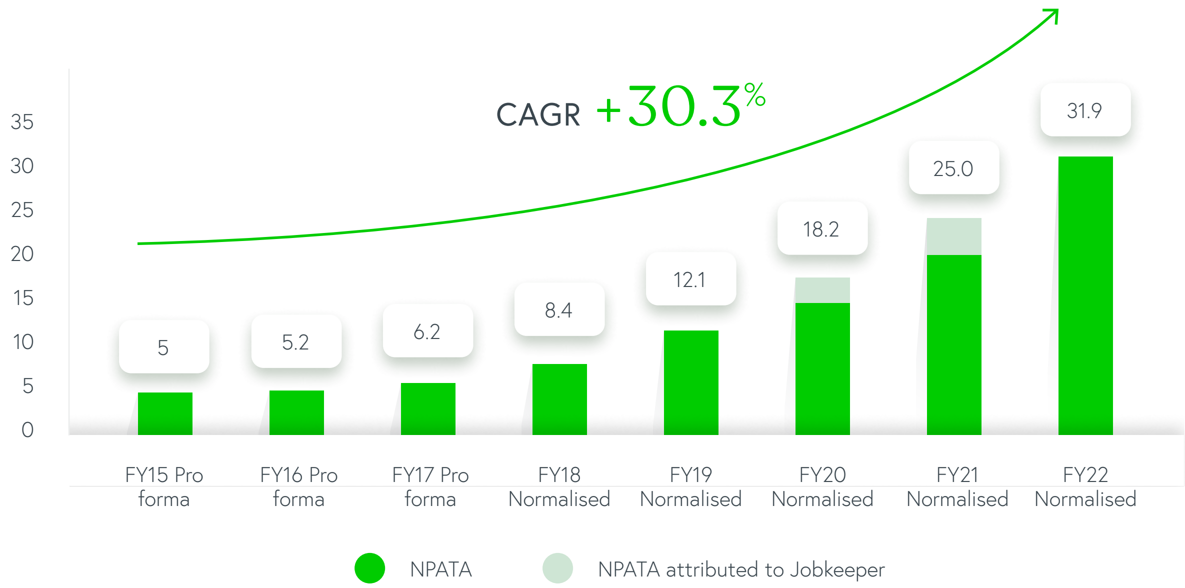
OUR PERFORMANCE SNAPSHOT

AN EXCEPTIONAL HISTORY OF SUSTAINABLE GROWTH

REVENUE GROWTH ($M)



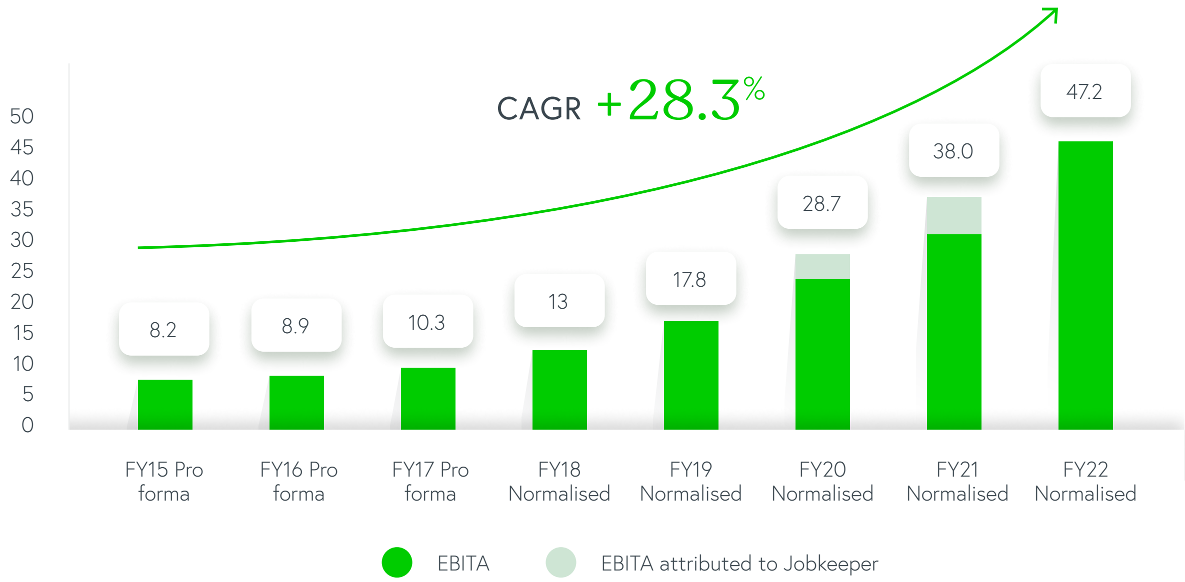
NPATA GROWTH ($M)



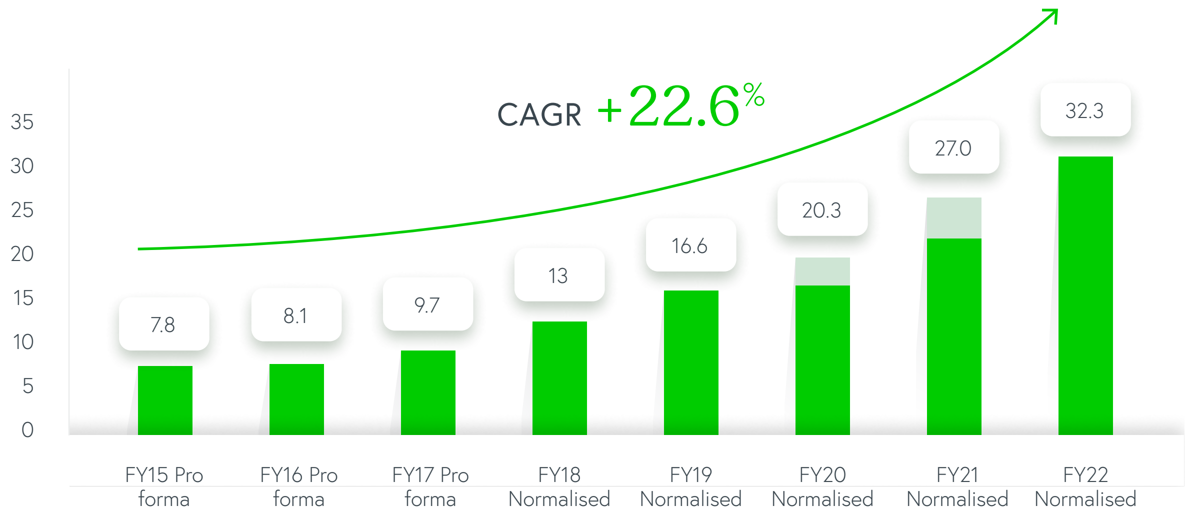
In the past five years, PeopleIN has demonstrated consistently strong year on year growth as evidenced by double-digit compound growth in revenue, EBITDA and earnings per share.

This performance is testament to our diverse reach into high demand and defensive employment sectors, including healthcare, professional services, early learning, infrastructure and food services.

EBITDA GROWTH ($M)



EARNINGS PER SHARE GROWTH (CENTS)



EPS calculated on an NPATA basis.

FY23-25 STRATEGY

OUR PURPOSE

TO INSPIRE EXCELLENCE IN OUR PEOPLE.

WHO WE ARE

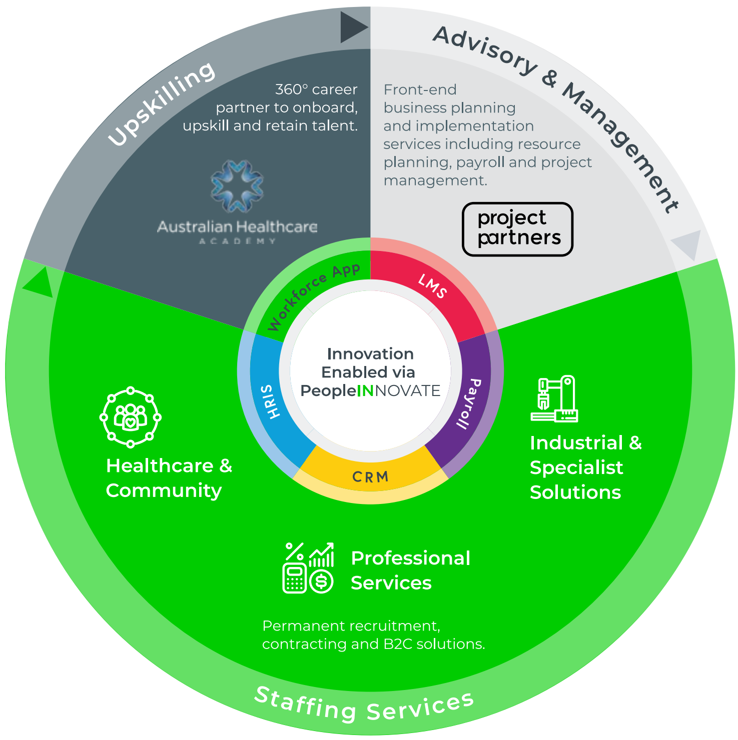
AUSTRALIA'S LARGEST ASX-LISTED TALENT SOLUTIONS COMPANY.

4000+
BUSINESSES

26 BRANDS
850+ INTERNAL STAFF

10,000 – 15,000
PEOPLE IN WORK PAYROLLED EVERY WEEK

OUR 360° TALENT SOLUTION



PEOPLE

ATTRACT, DEVELOP AND RETAIN TOP TALENT

- Roll out wellbeing and safety initiatives across the business including one EAP and ongoing awareness training
- Clear career pathways and associated development opportunities for all employees
- Implement a leadership development program across the group and a rookie training framework
- Employee engagement, leading employer of choice

CLIENTS

WIN MORE WORK

- Establish a leading global healthcare worker network via targeted acquisitions and strategic partnerships
- Key client engagement for top twenty group and division clients and target clients
- Promote cross-selling via awareness campaigns and celebrating success
- Grow our defence, Federal and State government advisory and contracting capability through strategic hires, and partnerships and targeted acquisitions

OUR GOAL

TO BE THE LEADERS

in the provision of complete talent solutions that enable our clients and candidates to **achieve excellence.**

FIRST CHOICE FOR CLIENTS

ENTREPRENEURIAL SPIRIT

FIRST CHOICE FOR OUR PEOPLE

ALWAYS DELIVER

OUR SUCCESS

10% ORGANIC GROWTH & COMPLEMENTARY ACCRETIVE ACQUISITIONS

- +7% EBITDA margin
- Leading employer of choice - employee engagement of 80%
- 20% government work
- Global health network presence established
- Industry leading safety compliance

INNOVATION

EFFICIENT & SUSTAINABLE BUSINESS PERFORMANCE

- Automate low-value processes to maximise high value human interactions via our system upgrade program
- Launch **PeopleINNOVATE** that includes:
  - Foster a culture of innovation by providing an avenue to encourage/invest in new commercial ideas
  - Celebrate success stories and promote an entrepreneurial spirit across the business
  - Provision of talent solutions to support the renewables sectors
  - Establish a data analysis, insights and reporting capability

SHARED VALUE

FOR OUR PEOPLE, CLIENTS, INVESTORS & COMMUNITIES

- **PILLAR 1 – First Nations** – gain approval of our RAP after the establishment of a RAP committee, and continue to celebrate Partners on Country
- **PILLAR 2 – Sustainability** – establish a baseline carbon footprint, set net zero carbon roadmap and continue to build and celebrate Timberwolf
- **PILLAR 3 – Equity and inclusion** – establish a diversity group framework, secure a national charity partner, celebrate our growth in the NDIS sector, and collaborate with NDIS clients to provide employment opportunities for people living with a disability

STRATEGY IN ACTION

FY23 ACTION PLAN

OUR INITIATIVES

Operating across our three verticals sees PeopleIN work with a broad range of organisations with varied and often complex needs. The underpinning initiatives of our FY23-25 strategy position us to deliver whole of business solutions.
In FY23 we'll achieve this through:

PEOPLE

- Implementation of strategies to maximise employee experience and engagement, including a PeopleIN Group engagement survey.
- Developing industry leading career pathways and leadership development programs and implement platforms to drive upskilling and L&D.

INNOVATION

- Commencing the delivery of a systems program of work for a single source of truth, data insights and reporting via Program UNITE.
- Launching PeopleINNOVATE, continuing to develop a culture of innovation. Training, developing and celebrating innovative and entrepreneurial ideas.

CLIENTS

- Growing and expanding the PeopleIN brand to support our family of brands to win more work through implementation of a client engagement toolkit, along with targeted client acquisition campaigns.
- Driving client cross sell through increased collaboration and joint pursuits and implement a PeopleIN key client engagement program.
- Leveraging the PALM scheme to supply to our clients in the aged care and community sectors.

SHARED VALUES

- Creating and elevating our shared value journey with our leaders at the Executive Leadership Team forum.
- Commencing creation of our Reconciliation Action Plan.

OUR VALUES

We contribute to these pillars and lead our workforces by aligning our key values.

As our name suggests, we recognise our business would not exist without people. Our company purpose prioritises our clients, employees and candidates above all else.

Company culture is shaped by our community initiatives, diversity and inclusion profile, our training and developmental ethos, entrepreneurial spirit and commitment to innovative practice, Year on Year growth and expansion, safety initiatives and the *people who enable all of this happen.*

BE HUMAN

AUTHENTICITY, FAIRNESS AND INCLUSION, ALWAYS.

BE BOLD

TAKE CALCULATED RISKS AND SEIZE THE OPPORTUNITY TO INNOVATE.

BE MEMORABLE

WE EXCEED EXPECTATIONS AND LEAVE AN INDELIBLE IMPRESSION.

BE EXTRA-ORDINARY

OUR COMMITMENT TO DELIVER OUTSTANDING RESULTS EACH AND EVERY TIME.

RECOGNITION

At PeopleIN we take pride in creating an environment in which our people can excel.

We've been honoured in the past 12 months to be recognised by our peers and the industries in which we work by being shortlisted as award finalists for safe work, diversity and inclusion, community engagement and for being a workplace where our people can achieve excellence.

Safe Work and Return to Work Awards 2022 FINALIST

TIARA RECRUITMENT AWARDS ANZ FINALIST

- The Bullhorn Community Impact Award (ANZ)
- The Diversity, Equity and Inclusion Award (ANZ)
- The Mercury Best Large Recruitment Company to Work For (ANZ)
- The Training & Development Award (ANZ)

SUSTAINABLE DEVELOPMENT GOALS

OUR SHARED VALUE FRAMEWORK

SHARED VALUE FOR OUR PEOPLE, CLIENTS, INVESTORS AND COMMUNITY.

We've aligned our Shared Value framework with the United Nations' Sustainable Development Goals (SDGs) which define a clear plan to address the most pressing challenges facing our world.

By doing so we ensure the shared value we create is meaningful to the people, clients, investors and the communities in which we work – both domestically and across the globe.

Our strategy focuses on three shared value pillars: First Nations, Sustainability and Equity & Inclusion. The activities which underpin each utilise the resources, skills and innovation of our organisation to target the societal issues that intersect with our business operations and on which we can have a scalable impact.

SUSTAINABLE DEVELOPMENT GOALS

OUR CONTRACT PLANTING BUSINESS, TIMBERWOLF, ONSITE.

PILLAR 1: FIRST NATIONS

1 NO POVERTY
4 QUALITY EDUCATION
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

KEY PARTNERSHIPS
WITH PARTNERS ON COUNTRY

750+ FIRST NATIONS
CANDIDATES PLACED

PILLAR 2: SUSTAINABILITY

6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND

4.8 MILLION
TREES PLANTED VIA TIMBERWOLF

PILLAR 3: EQUITY & INCLUSION

1 NO POVERTY
3 GOOD HEALTH AND WELL BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

KEY PARTNERSHIPS
WITH PARTNERS ON COUNTRY

COMMUNITY
'WOMEN IN IT' ONLINE COMMUNITY - 11,600+ FOLLOWERS

PALM COMMUNITY
INDUSTRY LEADING COMMUNITY OF CARE MODEL

HUMAN RIGHTS
COMMITMENT TO RESPECTING AND UPHOLDING ANNUAL REPORTING

59% FEMALE
WORKFORCE

ECONOMIC CONTRIBUTION
PEOPLE IN WORK PAYROLLING 10,000-15,000 CANDIDATES PER WEEK

NDIS SUPPORT
>35,000 HOURS PROVIDED TO NDIS PARTICIPANTS

CASE STUDY ONE // **PALM SCHEME**

BENEFITING COMMUNITIES HERE AND ABROAD

When Rosivela "Ross" Dresu arrived in Australia from Fiji in 2020 he knew he would work hard. After all he was here not just to make a better life for his family but to represent his village and his entire country.

Two years later, he's worked hard and Ross says he, and others from his village and other neighbouring communities, are among the most respected workers at the meatworks where they work in northern New South Wales.

"It's difficult being away from our families but we know they and our communities appreciate what we're doing," Ross said.

"I have four children and my youngest was born while I was here. When I was young my father worked away for months at a time and I hope one day my children will understand why I'm away now.

"I was lucky to come to Australia because unemployment is eighty percent in my village. There is no Centrelink so if you don't work you don't have money.

"In my first few months here I did a good job and my boss asked me if I knew others who could come and work hard like me. I knew there were boys at home who would understand the opportunity so I spoke to the village elders.

"When these boys were sent to Australia they first spoke to the elders. They were told, you are going to Australia and representing the government, the village, your family."

Ross says there are many ways he and his countrymen support their community through sending money home. Houses have been built, there are plans for a new church and children have opportunities that wouldn't have otherwise existed.

"There are a group of young swimmers at one of our schools who are very talented but couldn't afford to attend the national championships," Ross said.

"In my village ninety percent of the people in work are employed in tourism but with very few tourists they have no money for things like this.

"The children train in the river and most had never swum in a pool before; that's why they're called the 'river babies'. Along with their parents and local businesses, we were able to support them to get to the nationals and they won many gold medals between them!"

As one of the more experienced workers, Ross meets with the younger men each Sunday to talk about how they are going. He reminds them of why they are in Australia; how their parents worked hard for them and now it's their turn. He's also very proud of what they've achieved.

"In Fiji they couldn't find work but here they're among the top workers. They're making the most of their opportunities and have shown what the people of Fiji can do."

THE "RIVERBABIES" PROUDLY DISPLAY THEIR MEDALS.

CASE STUDY TWO // **SUSTAINABLE GENERATION**

ONE FOOTBALL FIELD AT A TIME

Think about the satisfaction you get from planting a small garden in your yard. Then imagine being part of a project in South Australia planting 400,000 trees in just a few weeks!

Timberwolf is Australia's largest contract planting business, placing around seven million new trees in the ground every year.

National Operations Manager Callum Sharp says the speed and efficiency of their teams allow them to plant an enormous number of juvenile plants in a very short space of time.

"We recently completed a job in South Australia where we planted 400,000 plants over an area equivalent to 700 football fields in around a month," Callum said.

"It's hard, physical work but when you finish your day and look back at what you've achieved, it's incredibly satisfying."

Callum said they undertake a wide variety of projects and have teams operating across the country.

"We'll have a minimum of 10 jobs happening on any one day. They might be small jobs on median strips or for commercial landscaping, through to large ecology projects like revegetation, bioretention basins and wetland planting."

"Bush Regeneration and ecological projects are extra special. Re-establishing food habitats for koalas and doing bio-retention work to keep creeks and waterways is really rewarding."

ANNUAL FINANCIAL REPORT

CORPORATE INFORMATION

AUSTRALIAN BUSINESS NUMBER

ABN 39 615 173 076

DIRECTORS

Glen Richards
Elizabeth Savage
Vu Tran
Declan Sherman
Thomas Reardon

COMPANY SECRETARY

Jane Prior

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Level 2, 77 Hudson Road
Albion QLD 4010
Phone: +61 7 3238 0800

COUNTRY OF INCORPORATION

Australia

SHARE REGISTRY

Link Market Services Limited
Level 12, 680 George Street,
Sydney NSW 2000
Phone: +61 1300 554 474

SOLICITORS

Talbot Sayer
Level 27, Riverside Centre,
123 Eagle Street,
Brisbane QLD 4000
Phone: +61 7 3160 2900

AUDITOR

BDO Audit Pty Ltd
Level 10, 12 Creek Street
Brisbane QLD 4000
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Fax: +61 7 3221 9227

FOR THE YEAR ENDED 30 JUNE 2022

DIRECTORS' REPORT

The Directors of PeopleIn Limited (formerly People Infrastructure Limited) present their report together with the financial statements of the consolidated entity, being PeopleIn Limited ('the Company' or 'PeopleIN') and its controlled entities ('the Group') for the year ended 30 June 2022.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial period were the provision of staffing, business services and operational services. Services provided by the Group include workforce management, recruiting, onboarding, contracting, rostering, timesheet management, payroll, and workplace health and safety management.

There have been no significant changes in the nature of these activities during the year.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

OVERVIEW

Leading talent solutions business PeopleIN had a solid financial year, despite varied challenges including those relating to Covid-19. Our success is largely due to the diversity of our reach into high demand and defensive employment sectors. Strong performances in technology and accounting, food processing, childcare and transport infrastructure were able to offset Covid-19 impacts in the health sector.

Organic growth has been a key focus for the business and has been driven by diversifying our client base, cross-selling amongst our family of brands, as well as investing in strategic growth initiatives. We established two permanent recruitment businesses this year - Next in Health and AWX Executive. Both are delivering solid returns. In terms of cross-selling, supplying BUPA with both health and industrial staff is one of a number of successes.

Strategic acquisitions benefited from the support of the PeopleIN network to turbocharge growth. Perigon was able to secure further health work, thanks to our brands in Victoria. AWX Executive provided recruitment support to Vision, adding 15% more surveyors to the Vision team, Halcyon Knights supported GMT with its +80 strong network of technology recruiters to source new contractors for its government clients. Similarly, Techforce was able to diversify into hospitality via leveraging AWX's experience and east-coast client base.

We pride ourselves on the entrepreneurial spirit that exists across the business. With the majority of clients finding, it difficult to attract and retain employees, we've found a way to capitalise on our diversity to provide a solution. Food Industry People (FIP), acquired in June, provides at-scale staffing with strong retention via the Pacific Australia Labour Mobility scheme for food services clients. We're working to expand the scheme to all in-need sectors including aged care and disability.

The exceptional leaders within each of our PeopleIN businesses have continuously sought new opportunities and solutions throughout the pandemic and have proven their dedication to inspiring excellence in our people. As a result, we continue to enjoy firm loyalty from both candidates, and clients within the wide range of essential and growth sectors in which we operate.

During the reporting period we worked within three main verticals: Health and Community, Professional Services and Industrial and Specialist Services.

DIRECTORS' REPORT (CONT.)

REVIEW OF OPERATIONS AND FINANCIAL RESULTS (CONT.)

HEALTH AND COMMUNITY

As a leading provider of talent solutions to the Health and Community Care sectors, PeopleIN provides staff to nursing, care, disability, mental health and child protection services. Covid-19 lockdowns, restrictions and the delay of elective surgeries, particularly in Victoria and New South Wales, impacted the provision of services.

We were, however, thanks to our reputation and scale, able to redeploy resources to the Covid-19 response effort, including to testing and vaccine facilities and call centres. This enabled the division to deliver a solid performance during uncertain and challenging market conditions. The division's geographic diversity was also of importance, with Queensland health and community operations making a very strong contribution during this period. As Covid challenges lessened in the second half of the year, we turned our focus to attracting more workers, leveraging our international recruitment experience. Delays in international visa processing times are predicted to reduce towards the end of the calendar year which will further support this mission.

PROFESSIONAL SERVICES

The long-term high-growth Professional Services vertical includes staffing service business Halcyon Knights and the Perigon Group, which was acquired in February 2022. We also have our advisory business, Project Partners which has grown substantially throughout the year. We continued to leverage their front-end engagement with clients via their advisory services to win work for our professional services staffing businesses.

Halcyon Knights, one of the largest providers of technology talent solutions to the private sector in Australia, grew significantly throughout the year. Its strength is in its ability to attract top talent to meet our clients' growing investment in technology and support an increasingly mobile workforce. A lack of resources in the sector generally significantly increased our clients' requirement for permanent recruitment services. Halcyon Knights successfully integrated eCareer and GMT, all of which performed well during the period. GMT, acquired in November 2021, has provided a platform from which to grow Federal Government work.

Acquiring Perigon broadened our Professional Services offering in terms of accounting and finance talent solutions. Perigon has performed extremely well since joining thanks to high-calibre leadership and an unwavering focus on client engagement. Perigon's services have already been cross sold into healthcare thanks to collaboration between PeopleIN teams.

INDUSTRIAL AND SPECIALIST SERVICES

PeopleIN continues to be a leader in providing industrial talent solutions to small, medium and large corporates across a range of sectors including food processing, infrastructure, construction, transport, resources, education and hospitality. Covid-19 and extreme weather conditions did impact parts of the business, but the division's focus on diversification over the last few years paid off, with it managing to deliver strong organic growth for the period of 11%.

Techforce Personnel which was acquired in June 2021, has diversified its service offering, including into hospitality staffing, thanks to collaboration with the AWX business on the East coast. The business's innovative rookie recruitment programme has assisted in delivering strong results for the year. It has also benefitted from strong mining and transport infrastructure construction demand in WA.

Two businesses were acquired during the year - Vision Surveys QLD and Food Industry People Group (FIP). Integration is progressing well, and both are meeting performance expectations.

Vision Surveys QLD has leveraged broader PeopleIN recruitment capabilities to increase its surveyor headcount by 15%, an impressive feat given the surveyor shortage. The business continues to win work in the renewable energy and transport infrastructure sectors, cementing itself as a forerunner for the long-term growth opportunities associated with these sectors.

FIP joined the PeopleIN family in June 2022, bringing an at-scale talent solutions engine room via the Australian Government's Pacific Australia Labour Mobility scheme. FIP has +19% market share of this scheme and delivered an expected strong result in June 2022.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS (CONT.)

FINANCIAL RESULTS

The Group's revenue for the financial period was $682,321,006 (2021: $444,280,505), representing an increase of 54%.

The growth of the business during the year was two-fold being an increase in organic demand for staffing services in the sectors and locations in which the Group operates reflecting a bounce back to operating levels, greater than pre-Covid-19. Secondly, the acquisitions which occurred both in the second half of last financial year and in FY22 , have contributed to the full year

EBITDA and NPATA is how the board and management assess the performance of the Group. This is further adjusted by normalisation adjustments being non-recurring expenses and non-cash expenses including costs associated with acquisitions, fair value movement in equity investments and contingent considerations, costs of employee options and performance rights and the associated tax deduction of these expenses. The directors believe that this presentation is useful to investors to understand the Group results and show how the Group would have performed had these types of transactions not occurred.

All normalisation adjustments in the calculation of the normalised NPATA and EBITDA are unaudited.

The following reconciles statutory profit before tax to EBITDA and normalised EBITDA.

	30 June 2022 $	30 June 2021 $
Statutory Profit Before Tax	**26,963,913**	**26,750,204**
Depreciation and amortisation	11,100,531	6,733,507
Finance costs	2,148,840	1,548,488
EBITDA	**40,213,284**	**35,032,199**
Normalisation adjustments:		
Acquisition costs	630,906	593,505
Performance rights costs	66,166	190,913
Divestment loss	99,423	-
Write off of Warrawong Office Fitout on relocation	-	217,888
Fair value movement in contingent consideration[1]	3,545,556	944,861
Non-controlling interests	(725,389)	(67,168)
Share based payments expense	3,329,716	1,137,141
Normalised EBITDA	**47,159,662**	**38,049,339**

[1] This primarily contains non-cash expense of $3,455,893 which is the fair value adjustment of the contingent consideration that will be settled via the issue of PeopleIN shares (i.e. not cash) with respect to the acquisition of Halcyon Knights Pty Ltd, Halcyon Knights Commercial and Contracting Pty Ltd and Halcyon Knights New Zealand Limited. The remainder of the contingent consideration relating to the other entities will be cash settled except for Vision Surveys QLD of which 25% will be share settled.

DIRECTORS' REPORT (CONT.)

REVIEW OF OPERATIONS AND FINANCIAL RESULTS (CONT.)

FINANCIAL RESULTS (CONT.)

The profit before income tax expense of the Group for the financial period was $26,963,913 (2021: $26,750,204). The profit of the Group for the financial period after providing for income tax amounted to $18,396,793 (2021: $17,730,729), representing an increase of 3.76%.

The small increase in profit from prior year is materially impacted by the following:

- Increase in the fair value of the deferred consideration by $3,545,556. The majority represents a non-cash expense relating to an increase in the contingent consideration that will be settled via the issue of PeopleIN shares with respect to the acquisition of Halcyon Knights Pty Ltd, Halcyon Knights Commercial and Contracting Pty Ltd and Halcyon Knights New Zealand Limited. The significant increase is due to an increase in the likelihood of earn out targets being achieved and will be settled in August 2022.
- Additionally, there has been a significant increase in the share based payments expense as a result of an increase in the number of performance rights being granted to employees of $3,329,716 (2021: $1,137,141). This is as a result of strong company performance exceeding budget and thus rights achieving their conditions and being eligible for exercising.
- There is a significant increase in depreciation and amortisation expense ($4,367,024) surrounding the increase in leased offices, as a result of acquisitions, and the amortisation of the intangible assets acquired at acquisition.
- There was an increase in the impairment of receivables being an expense of $2,390,413 (2021: write back of $111,960). This reflects both an increase in the provision for expected credit losses and also includes a write off relating to one significant debtor who went into voluntary administration during the second half of the financial year.

Normalised net profit after taxation and before amortisation (NPATA) which represents the statutory NPAT adjusted for one off expenses including costs associated with acquisitions, costs of employee options and performance rights and the associated tax deduction of these expenses and amortisation.

	30 June 2022	30 June 2021
	$	$
Statutory NPAT	**18,396,793**	**17,730,729**
Acquisition costs	630,906	593,505
Performance rights costs	66,166	190,913
Divestment loss	99,423	-
Write off of Warrawong Office Fitout on relocation	-	217,888
Fair value movement in contingent consideration	3,545,556	944,861
Non-controlling interests	(725,389)	(67,168)
Share based payments expense	3,329,716	1,137,141
Tax adjustment	126,181	118,701
Normalised NPAT	**25,469,352**	**21,866,570**
Amortisation expense of intangible assets	6,465,647	4,131,730
Normalised NPATA	**31,934,999**	**24,998,300**

DIRECTORS' REPORT (CONT.)

REVIEW OF OPERATIONS AND FINANCIAL RESULTS (CONT.)

FINANCIAL RESULTS (CONT.)

Operating cash flow was positive throughout the period resulting in $22,064,720 (2021: $7,582,631) in net cash provided by operating activities.

Operating cashflow was reduced by $2,552,643 due to the repayment during the year of payroll taxes which were all deferred as part of the Covid-19 government assistance regulations during the 2019 financial year. This has now been fully settled. Additionally, there has been an increase in working capital requirements due to the increase in revenue relating to organic growth.

Capital expenditure on plant and equipment and intangibles (Software) of $4,489,189 (2021: $1,302,898) has increased significantly due to continued investment in system upgrades and additional leased premises with acquisitions. The largest outflow from investing activities is the acquisitions. Net inflows from financing activities of $45,550,467 (2021: outflows of $2,061,436) related to the net result of repayment of borrowings and the additional capital received during the period from additional commercial bills. Additionally, fully franked dividends totalling $10,611,239 were paid during the year (2021: $7,050,708).

The Group balance sheet has strengthened overall by $27,748,949, with net assets at $142,351,414 (2021: $114,602,465). This is mainly reflective of retained earnings during the year and the acquisitions that were completed during the year.

PeopleIn Limited had $98,367,202 (excluding lease liabilities, 2021: $38,971,281) in total borrowings at 30 June 2022 and $26,977,326 (2021: $13,721,681) in cash at 30 June 2022. The utilisation of PeopleIN's lending facilities increased during June 2022 with additional borrowings of $51,000,000 to fund the acquisition of Vision Surveys, Perigon Group and FIP Group. The net debt position at 30 June 2022 was $ 71,389,876 (2021: $25,249,600 net cash position), excluding lease liabilities. The net debt (excluding leases) to normalised EBITDA ratio was 1.51 times (2021: 0.54 times). This remains within the risk appetite of the board and is expected to reduce over the coming six months as the business continues to generate significant operating cashflow.

FUTURE PROSPECTS AND OUTLOOK

Operating conditions continue to be positive for PeopleIN, given the strength of the employment market (3.2% unemployment as at end June) and unprecedented demand from clients for staff. Based on the operating results for the financial year and current economic conditions continuing, PeopleIN expects strong performance to continue throughout financial year 2023. The number and diversity of our clients, and critical demand for their services, mean that our core business is resilient even in times of economic uncertainty. Our strategy has always been to focus on growing in sectors that have long term demand for products and services, with clients able to withstand volatility in their industries. As a result of this, PeopleIN is well placed to continue generating strong earnings even in volatile economic environments.

The following are some of the key strategic initiatives that the business will continue to pursue in the coming financial year:

Cross-selling

We'll continue to focus on growing our existing verticals Health and Community, Professional Services and Industrial and Specialist Services, with collaboration and cross-selling as key organic growth measures. Having strong goodwill across out +4,000 clients puts us in the ideal position to leverage this goodwill and offer our clients additional advisory, staffing and upskilling services. The key focus will be to ensure that all our staff have a base knowledge of the entire group's capability in order to cross sell e.g., internal client engagement portals, lunch and learn sessions, monthly newsletters.

DIRECTORS' REPORT (CONT.)

FUTURE PROSPECTS AND OUTLOOK (CONT.)

International recruitment

We expect high demand for staff to continue to be evident across all of our sectors including technology, nursing, community services, hospitality, childcare, logistics, transport and civil construction. We're firmly focused on finding sufficient talent to fill contractor vacancies. We've launched a number of recruitment initiatives aimed at employing international workers as visa application times improve. We're leveraging our international recruitment experience, particularly in the health (nurses from the UK and Ireland) and agriculture spaces (FIP via the PALM scheme), to secure staff for a much broader range of industries. PeopleIN's ability to rapidly execute and scale up is known to our clients and we'll continue to use this to our advantage.

Upskilling

This year we're offering our internal staff and contractors the opportunity to upskill into high-demand roles. This initiative represents a unique shared advantage for staff and clients. PeopleIN staff, both in-house and contractors, will be offered greater opportunities to upskill into high-demand roles and the ability to accelerate their careers. Our clients will benefit from a complete talent solution that ensures there is qualified staff for their difficult to fill positions.

Efficient Operations

We'll continue to drive efficiencies across the business by automating low value processes with best of breed systems, to maximise staff time spend on high-value activities. After extensive planning our systems consolidation initiative (Program Unite) was launched in late 2021, to centralise resources and business support functions, leveraging PeopleIN's scale nationally. This is an ongoing program of works into the next financial year.

Complementary acquisitions

We're well positioned to further invest, and are currently actively pursuing a number of highly complementary acquisitions. We're concentrating on expanding our services within health, Federal and State government and professional services areas, all of which have long-term demand for resources. The Group will continue to proactively seek acquisitions which fit our three-year strategy and can generate significant upside through being part of PeopleIN.

Risks

PeopleIN's economic performance and future prospects are, of course, subject to a number of risks which may impact its business including any potential downturn in the employment market, increase in competition, a change in the regulatory environment, reliance on key personnel, reliance on its industrial agreements, change in how on-costs or benefits are assessed for its employees, change in client circumstances or technology risks.

None of these are considered to be of immediate threat but it is important to note that any change in these risks may impact the business. PeopleIN also regularly considers the potential impact of global climate change on its business. Whilst we are dedicated to improving our environmental impact wherever possible, including via Timberwolf's extensive bush regeneration, there are no current, specific climate issues posing significant risk to operations. Few of PeopleIN's clients are likely to be imminently, directly impacted by climate issues.

DIRECTORS' REPORT (CONT.)

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In August 2021 1,449,098 shares were issued in settlement of contingent consideration relating to two historical acquisitions.

In August 2021, October 2021, November 2021, January 2022 and May 2022 806,307 shares were issued due to the performance rights conditions being satisfied and 340,000 due to options being exercised. The shares were issued to numerous employees, including related entities of key management personnel of the Group. The shares related to options and performance rights which have been issued historically over a 5 year period.

In June 2022 3,058,104 shares were issued as part settlement for the acquisition of Food Industry People Group of entities.

There was an issue of 457,494 shares under the dividend reinvestment plan during the period.

There have been no other significant changes in the state of affairs during the financial year that could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in the future financial periods.

ENVIRONMENTAL LEGISLATION

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

DIVIDENDS PAID OR RECOMMENDED	2022 $	2021 $
Dividends provided for or paid during the year		
Final fully franked dividend relating to 30 June 2021 of 6.0 cents per share (2020: 4.5 cents) paid on 1 October 2021	5,653,198	4,155,624
Interim fully franked dividend relating to 31 December 2021 of 6.5 cents per share (2020: 4.5 cents) paid on 29 March 2022	6,204,239	4,082,087
	11,857,437	8,237,711

Since the end of the financial year the directors have recommended the payment of a final ordinary dividend of $6,419,076 (6.5 cents per fully paid share) to be paid on 30 September 2022 out of retained earnings at 30 June 2022. This dividend is expected to be fully franked.

DIRECTORS' REPORT (CONT.)

UNISSUED SHARES UNDER OPTION AND PERFORMANCE RIGHTS

Unissued ordinary shares of PeopleIn Limited under option, including performance rights (PR) at the date of this report are:

	Date granted	Expiry date	Exercise price of shares	Number
Options (Tranche 4)	11 June 2021	11 July 2026	$4.37	343,170
Performance Rights (Tranche 4) – executive directors	26 November 2018	26 November 2022	$0.00	59,686
Performance Rights (Tranche 6) – other employees	15 May 2019	15 May 2023	$0.00	8,000
Performance Rights (Tranche 9) – other employees	28 October 2019	26 November 2023	$0.00	33,334
Performance Rights (Tranche 10) – executive directors	26 November 2019	26 November 2023	$0.00	31,436
Performance Rights (Tranche 12) – other employees	30 July 2020	30 July 2024	$0.00	63,000
Performance Rights (Tranche 16) – other employees	1 September 2019	1 September 2023	$0.00	5,081
Performance Rights (Tranche 24) – other employees	11 June 2021	31 August 2026	$0.00	343,170
Performance Rights (Tranche 25) – KMP	31 August 2021	31 August 2022	$0.00	23,128
Performance Rights (Tranche 26) – KMP	31 August 2021	31 August 2023	$0.00	22,026
Performance Rights (Tranche 27, 29, 31, 32, 34) – other employees	31 August 2021	31 August 2022	$0.00	335,107
Performance Rights (Tranche 28) – other employees	31 August 2021	31 August 2023	$0.00	185,238
Performance Rights (Tranche 30, 33) – other employees	31 August 2021	31 August 2024	$0.00	113,922
Performance Rights (Tranche 35, 36) – other employees	1 November 2021	1 November 2022	$0.00	49,750
Performance Rights (Tranche 37) – KMP	1 November 2021	1 November 2024	$0.00	200,000
Performance Rights (Tranche 38) – KMP	22 November 2021	22 November 2023	$0.00	116,721
Performance Rights (Tranche 39, 40, 42, 43) – other employees	24 January 2022	24 January 2023	$0.00	89,585
Performance Rights (Tranche 41) – other employees	24 January 2022	31 August 2024	$0.00	38,834
Performance Rights (Tranche 47) – other employees	1 March 2022	1 March 2023	$0.00	59,644
Performance Rights (Tranche 44, 45) – other employees	1 March 2022	1 March 2024	$0.00	146,740
Performance Rights (Tranche 46) – other employees	1 March 2022	1 March 2025	$0.00	38,071
Performance Rights (Tranche 48) – other employees	1 April 2022	1 April 2024	$0.00	12,853
Performance Rights (Tranche 49, 51) – other employees	30 April 2022	30 April 2023	$0.00	34,037
Performance Rights (Tranche 50) – other employees	30 April 2022	24 January 2023	$0.00	11,421
Total under option				**2,363,954**

All unissued shares are ordinary shares of the Company and are measured at fair value on the date granted.

All options/performance rights expire on the earlier of their expiry date or termination of the employee's employment. In addition, the ability to exercise the options/performance rights is conditional on a number of items. These conditions are set out in Note 19.

UNISSUED SHARES UNDER OPTION AND PERFORMANCE RIGHTS (CONT.)

Further details about share-based payments to directors and KMP are included in the remuneration report. Performance rights (Tranches 6, 9, 12, 16, 24, 27 – 30, 33 – 40) and Options (Tranche 4) were granted to staff members who are not KMP and hence are not disclosed in the remuneration report.

806,307 shares were issued as a result of the exercise of performance rights at an exercise price of nil and 340,000 shares were issued as a result of the exercise of options at an exercise price of $1. These are from Tranches 1, 2, 4, 6, 8, 14, 15, 17, 18, 19, 20, 21, and 33. Refer to Note 19 for details.

EVENTS ARISING SINCE THE END OF THE REPORTING YEAR

Vu Tran joined the Board effective 1 July 2022.

On 18 July 2022, a working capital facility for Food Industries People (FIP) was approved for $10,000,000.

A fully franked dividend of 6.5 cents per share was declared on 26 August 2022.

On the 1 August 2022, 21,000 performance rights vested as a result of the conditions being satisfied and were converted to issued shares.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

INDEMNITIES GIVEN TO, AND INSURANCE PREMIUMS PAID FOR, AUDITOR AND OFFICERS INSURANCE OF OFFICERS

During the year, the Group paid a premium to insure officers of the Group. The officers of the Group covered by the insurance policy include all Directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer of the Group against a liability incurred as such by an officer.

No indemnification has been provided to the auditor.

DIRECTORS' REPORT (CONT.)

NON-AUDIT SERVICES

During the year BDO, the Group's auditor, has performed certain other services in addition to the audit and review of the financial statements.

The board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the audit and risk committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the audit and risk committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Group, BDO, and its network firms for audit and non-audit services provided during the year are set out below:

	2022 **$**
Services other than audit and review of financial statements:	
• Taxation compliance services	77,988
• Corporate services	20,295
Total non-audit services	98,283
Audit and review of financial statements	286,000
Total paid to BDO Audit Pty Ltd and related entities	384,283
Paid to BDO network firms overseas	
• Overseas subsidiary taxation compliance services	2,975
• Overseas subsidiary audit compliance services	15,199
	18,174
Total paid to BDO and network firms	402,457

REMUNERATION REPORT – AUDITED

REMUNERATION POLICY

Executive Key Management Personnel

The remuneration policy of PeopleIn Limited has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific short and long-term incentives based on key performance areas affecting the consolidated Group's financial results. The Board of PeopleIn Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain high-quality KMP to run and manage the consolidated Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for KMP of the consolidated Group is as follows:

- The remuneration policy has been developed by the board.
- All KMP receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options and performance incentives.
- Performance incentives are only granted and paid once predetermined key performance indicators (KPIs) have been met.
- Incentives paid in the form of options or performance rights are intended to align the interests of the KMPs with those of the shareholders. In this regard, KMP are prohibited from limiting risk attached to those instruments by use of derivatives or other means.
- The nomination and remuneration committee reviews KMP packages as required by reference to the consolidated Group's performance, executive performance and comparable information from industry sectors.

The performance of KMP is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the Group and other key performance metrics around Group values, health and wellbeing of our staff and compliance with laws and regulations. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any change must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth.

KMP receive, at a minimum, a superannuation guarantee contribution required by the government, which was 10% during the period, of the individual's average weekly ordinary time earnings (AWOTE).

Upon retirement, KMP are paid employee benefit entitlements accrued to the date of retirement. KMP are paid a percentage of between 25%-50% of their salary in the event of redundancy. Any options not exercised before or on the date of termination will lapse.

All remuneration paid to KMP is valued at the cost to the Company and expensed.

Non-executive directors

The Board's policy is to remunerate non-executive directors at market rates for time, duties and responsibilities. Under Rule 19.5 of the Company's Constitution the total amount given to all non-executive directors for their services as directors must not exceed in aggregate in any financial year the amount fixed by the Company in general meeting. As detailed in the Company's Prospectus dated 20 October 2017 this amount has been fixed by the Company at $400,000 per annum.

KMP are also entitled and encouraged to participate in the employee share and option arrangements to align directors' interests with shareholders' interests.

DIRECTORS' REPORT (CONT.)

REMUNERATION POLICY (CONT.)

Options or performance rights granted under the arrangement do not carry dividend or voting rights. Each option or performance right is entitled to be converted into one ordinary share once the interim or final financial report has been disclosed to the public and their values are determined using the Monte Carlo or Black Scholes methodology, depending on whether market conditions are attached to them.

In addition, the Board's remuneration policy prohibits directors and KMP from using PeopleIn Limited shares as collateral in any financial transaction, including margin loan arrangements.

Performance-based Remuneration

KPIs are set annually, with a certain level of consultation with KMP. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPIs target areas the Board believes hold greater potential for Group expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the Group and respective industry standards.

Performance in relation to the KPIs is assessed annually. Following the assessment, the KPIs are reviewed by the board in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Group's goals and shareholder wealth, before the KPIs are set for the following year.

In determining whether or not a KPI has been achieved, PeopleIn Limited bases the assessment on audited figures; however, where the KPI involves comparison of the Group, or a division within the Group, to the market, independent reports are obtained from organisations such as Standard & Poor's.

Relationship between Remuneration Policy and Company Performance

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. To achieve this aim, share based payments are issued to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy has been effective in increasing shareholder wealth since listing in 2017.

The following table shows the gross revenue, profits and dividends since listing, as well as the share prices at the end of the respective financial periods. Analysis of the actual figures shows an increase in profits each period. The improvement in the Group's performance since listing has been reflected in the Company's share price with an increase since the entity listed. The Board is of the opinion that these results can be attributed, in part, to the previously described remuneration policy and is satisfied with the overall upwards trend in shareholder wealth since listing.

	30 June 2018 $	30 June 2019 $	30 June 2020 $	30 June 2021 $	30 June 2022 $
Revenue	219,400,642	278,138,843	371,163,903	444,280,505	682,321,006
Net profit after tax	5,170,863	9,693,783	16,396,195	17,730,729	18,396,793
Share price at year-end	1.60	3.34	2.00	4.59	2.89
Dividends paid/declared	0.040	0.085	0.085	0.105	0.13
Basic EPS	10.81	14.92	21.60	19.27	18.60

DIRECTORS' REPORT (CONT.)

Employment Details of Members of Key Management Personnel

The following table provides employment details of persons who were, during the financial year, members of KMP of the Group.

Group KMP	Position Held as at 30 June 2022	Contract Details (Duration and Termination)	Annual Base Salary	Director Fees
Glen Richards	Non-Executive Director and Chairman	No service contracts	-	$100,000
Elizabeth Savage	Non-Executive Director	No service contracts	-	$65,000
Declan Sherman	Executive Director and Head of Acquisitions **	6 months' notice period	$150,000	$50,000
Thomas Reardon	Executive Director and Divisional Chief Executive Officer	3 months' notice period	$300,000	$50,000
Ross Thompson *	Group Chief Executive Officer	6 months' notice period	$450,000	-
Megan Just	Group Chief Financial Officer	4 weeks' notice period	$305,000	-

* Ross Thompson commenced employment on 25 October 2021.

** Declan Sherman ceased as the Interim Group Chief Executive Officer on the 25 October 2021 and remained as the Head of Acquisitions.

The employment terms and conditions of the Head of Acquisitions, Group Chief Executive Officer and Divisional Chief Executive Officer are formalised in contracts of employment.

Terms of employment require that the relevant Group entity provide an executive contracted person with a minimum of 6 months and 3 months respectively notice prior to termination of contract. Termination payments of between 25%–50% of their salary are generally payable. A contracted person deemed employed on a permanent basis may terminate their employment by providing the relevant notice period. Termination payments are not payable on resignation or under the circumstances of unsatisfactory performance.

The employment terms and conditions of the Group Chief Financial Officer are formalised in contracts of employment.

Terms of employment require that the relevant Group entity provide an executive contracted person with a minimum of 4 weeks' notice prior to termination of contract. Termination payments are generally not payable but is at the discretion of the board of directors. A contracted person deemed employed on a permanent basis may terminate their employment by providing at least 4 weeks' notice. Termination payments are not payable on resignation or under the circumstances of unsatisfactory performance.

Non-executive directors have been issued appointment letters but do not have a formal contract of employment. There is no termination notice period stipulated in these letters.

Changes in Directors and Executives during the year

On 25 October 2021, the Group Chief Executive Officer Ross Thompson commenced employment with the Group and the Executive Director Declan Sherman ceased the role as Interim Chief Executive Officer.

There have been no other changes in directors and executives during the year or after the end of the reporting period.

Remuneration Expense Details for the Year Ended 30 June 2022

The following table of benefits and payments represents the components of the current year and comparative year remuneration expenses for each member of KMP of the consolidated Group. Such amounts have been calculated in accordance with Australian Accounting Standards.

TABLE OF BENEFITS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2022

		SHORT TERM BENEFITS				POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS		EQUITY-SETTLED SHARE-BASED PAYMENTS			TOTAL	PORTION OF REMUNERATION PERFORMANCE RELATED
		Salary, Fees and Leave $	Bonuses $	Non-monetary[4] $	Other[5] $	Super-annuation $	Incentive Plans $	LSL $	Shares $	Options/ Performance Rights $	Termination Benefits $	$	%
Group KMP													
Glen Richards	2022	100,000	-	-	-	-	-	-	-	-	-	100,000	-
	2021	100,000	-	-	-	-	-	-	-	-	-	100,000	-
Elizabeth Savage	2022	65,004	-	-	-	-	-	-	-	-	-	65,004	-
	2021	65,004	-	-	-	-	-	-	-	-	-	65,004	-
Declan Sherman	2022	279,077[1]	272,727	-	-	55,180	-	-	-	10,762	-	617,746	45.89
	2021	384,384[1]	-	-	10,449	36,445	-	5,949	-	56,702	-	493,929	11.48
Thomas Reardon	2022	350,009[1]	53,526	22,564	-	40,354	-	6,316	-	164,655	-	637,424	34.23
	2021	355,392[1]	-	22,564	7,679	33,763	-	6,822	-	87,432	-	513,652	17.02
Ross Thompson [2]	2022	294,231	-	-	17,440	29,423	-	485	-	68,387	-	409,966	16.68
David Cuda [3]	2021	261,154	-	15,934	113,097	24,810	-	93,336	-	-	-	508,331	-
Megan Just	2022	217,058	35,000	-	-	25,206	-	1,711	-	138,065	-	417,040	40.74
	2021	234,808	-	-	17,293	21,905	-	540	-	101,209	-	375,755	26.93
Total KMP	2022	1,305,379	361,253	22,564	17,440	150,163	-	8,512	-	381,869	-	2,247,180	32.93
	2021	1,400,742	-	38,498	148,518	116,923	-	106,647	-	245,343	-	2,056,671	11.93

[1] Includes $50,000 relating to director fees.

[2] Ross Thompson became a KMP from 25 October 2021 and therefore there are no disclosures for 2021.

[3] David Cuda resigned from the Group on 19 March 2021.

[4] Motor vehicle reportable fringe benefit

[5] Increment in annual leave provision.

Securities Received that Are Not Performance-related

No members of KMP are entitled to receive securities that are not performance-based as part of their remuneration package.

CASH BONUSES, PERFORMANCE-RELATED BONUSES AND SHARE-BASED PAYMENTS

Cash and Other Performance-related Bonuses

Key Performance Indicators (KPIs) were set and assessed based on individual and business wide performance criteria and the level of achievement of those objectives during the performance year. These KPI's relate to both the cash and performance rights components of the bonuses. The board uses their discretion from time to time to decide on determining the amount of the bonus payment.

No bonuses were paid in relation to the year ended 30 June 2020 (paid during the year ended 30 June 2021) because of the onset of COVID-19 and the uncertainty of the impact on the Group. Given the forfeiture of bonuses in that year was not because of individual performance the board awarded above the KPI driven opportunity in relation to the year ended 30 June 2021. The disclosures in the table above are higher than below reflecting the discretional component.

The cash and performance-based bonuses granted as remuneration during the year ended 30 June 2022 (in relation to the performance for the year ended 30 June 2021) to KMP are as follows:

		2022			2021		
	Remuneration Type	Total Opportunity $	Awarded %	Forfeited %	Total Opportunity $	Awarded %	Forfeited %
Group KMP							
Declan Sherman	Cash bonus	300,000	100%	-	200,000	-	100%
	Performance Rights	n/a	-	-	n/a	-	-
Thomas Reardon	Cash bonus	150,622	36%	64%	200,000	-	100%
	Performance Rights	545,566	97%	3%	n/a	-	-
Ross Thompson[1]	Cash bonus	n/a	-	-	n/a	-	-
	Performance Rights	n/a	-	-	n/a	-	-
Megan Just	Cash bonus	13,500	100%	-	13,500	-	100%
	Performance Rights	87,750	100%	-	n/a	-	-

[1] During the year ended 30 June 2022, nothing was payable in relation to year ended 30 June 2021 as employment commenced on 25 October 2021.

CASH BONUSES, PERFORMANCE-RELATED BONUSES AND SHARE-BASED PAYMENTS (CONT.)

Share-based Payments

The terms and conditions relating to options granted as remuneration during the year to KMP are as follows:

	Remuneration Type	Grant Date	Grant Value $	Vested/Paid during Year % #	Forfeited during Year %	Remaining as Unvested %	Expiry Date for Vesting or Payment
Group KMP							
Thomas Reardon	Performance Rights (Tranche 38)	22/11/2021	529,913	-	-	100	22/11/2023
Ross Thompson	Performance Rights (Tranche 37)	01/11/2021	224,500	-	-	100	01/11/2024
Megan Just	Performance Rights (Tranche 25)	31/08/2021	105,000	-	-	100	31/08/2022
Megan Just	Performance Rights (Tranche 26)	31/08/2021	100,000	-	-	100	31/08/2023

The dollar value of the percentage vested/paid during the period has been reflected in the Table of Benefits and Payments for the year ended 30 June 2022.

Performance Rights – Tranche 38

These performance rights vest over the vesting period from 22 November 2021 to 22 November 2023 with 60% vesting on 22 November 2022 and 40% vesting on 22 November 2023. There were performance criteria which included achievement of divisional EBITDA greater than budgeted and other key performance metrics around Group values, health, safety and wellbeing of our staff and compliance with laws and regulations surrounding which were achieved prior to these Performance Rights being granted. In order for the Performance Rights to vest, the participant must remain employed by PeopleIn Limited at the time of vesting. These Performance Rights form part of the individual's remuneration package.

All performance rights entitle the holder to one ordinary share in PeopleIn Limited for each right exercised.

There have not been any alterations to the terms or conditions of any grants since grant date.

Performance Rights – Tranche 37

These performance rights vest equally over the vesting period from 01 November 2021 to 01 November 2024 in two lots of 100,000. Lot 1 has a condition attached that a 10% Total Shareholder Return Compound Annual Growth Rate ("TSR CAGR") must be achieved for the performance rights to vest. Lot 2 has a condition attached that a 15% TSR must be achieved for the performance rights to vest. There is also an overarching condition that the relevant participant must remain employed by the PeopleIn Limited Group at the time of vesting.

All performance rights entitle the holder to one ordinary share in PeopleIn Limited for each right exercised.

There have not been any alterations to the terms or conditions of any grants since grant date.

Performance Rights – Tranche 25

These Performance Rights vest on 31 August 2022. The Performance Rights are conditional upon achievement of Group EBITDA targets and the relevant participant remaining employed by the PeopleIn Limited Group at the time of vesting.

All performance rights entitle the holder to one ordinary share in PeopleIn Limited for each right exercised.

There have not been any alterations to the terms or conditions of any grants since grant date.

DIRECTORS' REPORT (CONT.)

CASH BONUSES, PERFORMANCE-RELATED BONUSES AND SHARE-BASED PAYMENTS (CONT.)

Share-based Payments (cont.)

Performance Rights – Tranche 26

These Performance Rights vest equally over the Vesting Period from 31 August 2021 to 31 August 2023. There were performance criteria which included growth in EBITDA for the Group and other key performance metrics around achievement of Group strategic objectives, Group values, health, safety and wellbeing of our staff and compliance with laws and regulations which were achieved prior to these Performance Rights being granted. In order for the Performance Rights to vest, the participant must remain employed by PeopleIn Limited at the time of vesting. These Performance Rights form part of the individual's remuneration package

All performance rights entitle the holder to one ordinary share in PeopleIn Limited for each right exercised.

There have not been any alterations to the terms or conditions of any grants since grant date.

OPTIONS AND PERFORMANCE RIGHTS GRANTED AS REMUNERATION

		GRANT DETAILS			EXERCISED		LAPSED / FORFEITED				VESTED	UNVESTED
	Balance at Beginning of Year	Grant Date	No.	Value #	Share Price	No.	No.	Balance at End of Year	Exercisable	Unexercisable	Total at End of Year	Total at End of Year
				$	$			No.	No.	No.	No.	No.
Group KMP												
Declan Sherman	125,000	22/11/2017	-	-	4.35	125,000	-	-	-	-	-	-
Declan Sherman	59,687	26/11/2018	-	-	4.35	29,844	-	29,843	-	29,843	-	29,843
Declan Sherman	23,577	26/11/2019	-	-	4.25	7,860	-	15,717	-	15,717	-	15,717
Thomas Reardon	340,000	14/10/2017	-	-	4.32	340,000	-	-	-	-	-	-
Thomas Reardon	125,000	22/11/2017	-	-	4.35	125,000	-	-	-	-	-	-
Thomas Reardon	59,687	26/11/2018	-	-	4.35	29,844	-	29,843	-	29,843	-	29,843
Thomas Reardon	23,577	26/11/2019	-	-	4.25	7,860	-	15,717	-	15,717	-	15,717
Thomas Reardon	-	22/11/2021	116,721	529,913	-	-	-	116,721	-	116,721	-	116,721
Ross Thompson	-	22/11/2021	200,000	224,500	-	-	-	200,000	-	200,000	-	200,000
Megan Just	47,066	31/08/2020	-	-	4.08	47,066	-	-	-	-	-	-
Megan Just	-	31/08/2021	45,154	205,000	-	-	-	45,154	-	45,154	-	45,154
	803,594		**361,875**	**959,413**		**712,474**	**-**	**452,995**	**-**	**452,995**	**-**	**452,995**

The fair value of options granted as remuneration and as shown in the above table has been determined in accordance with Australian Accounting Standards and will be recognised as an expense over the relevant vesting period to the extent that conditions necessary for vesting are satisfied.

DESCRIPTION OF OPTIONS/RIGHTS ISSUED AS REMUNERATION

Details of the options granted as remuneration to those KMP listed in the previous table are as follows:

	TR Options – Tranche 1	TR Options – Tranche 2	Performance Rights –Tranche 1	Performance Rights –Tranche 4	Performance Rights – Tranche 10	Performance Rights – Tranche 13	Performance Rights – Tranche 25	Performance Rights – Tranche 26	Performance Rights – Tranche 37	Performance Rights – Tranche 38
Grant date	14/10/2017	14/10/2017	22/11/2017	26/11/2018	26/11/2019	31/08/2020	31/8/2021	31/08/2021	01/11/2021	22/11/2021
Number of options	340,000	340,000	1,000,000	238,750	62,874	47,065	23,128	22,026	200,000	116,721
Vesting period end	50% 14/10/2020 50% 14/10/2021	50% 14/10/2020 50% 14/10/2021	25% each year 22/11/2018, 2019, 2020, 2021	25% each year 22/11/2019, 2020, 2021, 2022	25% each year 26/11/2020, 2021, 2022, 2023	31/08/2021	31/08/2022	31/08/2022	01/11/2024	22/11/2023
Share price at grant date	$1.00	$1.00	$1.00	$1.93	$3.25	$2.80	$4.00	$4.00	$4.50	$4.39
Option life	50% 3 years 50% 4 years	50% 3 years 50% 4 years	4 years	4 years	4 years	1 year	1 year	2 years	3 years	3 years
Fair value at grant date	50% $0.2636 50% $0.2857	50% $0.2636 50% $0.2857	25% $0.2810, 25% $0.2530, 25% $0.1970, 25% $0.1560	25% $0.9003, 25% $0.6273, 25% $0.4946, 25% $0.4395	25% $1.488, 25% $1.031, 25% $0.828, 25% $0.692	100% $2.35	100% $4.00	100% $4.00	50% $2.31 50% $2.05	100% $4.54
Exercise price at grant date	$1.00	$1.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Exercisable from	50% 14/10/2020 50% 14/10/2021	50% 14/10/2020 50% 14/10/2021	At end of each vesting period	At end of each vesting period	At end of each vesting period	At end of the vesting period	At end of the vesting period	At end of the vesting period	At end of the vesting period	At end of the vesting period
Exercisable to	30 days after the exercise date	30 days after the exercise date	30 days after the exercise date	30 days after the exercise date	30 days after the exercise date	30 days after the exercise date	30 days after the exercise date	30 days after the exercise date	30 days after the exercise date	30 days after the exercise date

Option values at grant date were determined using the Monte Carlo method for those with market conditions and Black Scholes method for those without.

Details relating to service and performance criteria required for vesting have been provided in the Cash Bonuses, Performance-related Bonuses and Share-based Payments table on page 39.

DIRECTORS' REPORT (CONT.)

KMP SHAREHOLDINGS

The number of ordinary shares in PeopleIn Limited held by each KMP of the Group during the financial year is as follows:

	Balance at Beginning of Year	Granted as Remuneration during the Year	Issued on Exercise of Options during the Year	Other Changes during the Year	Balance at End of Year
Glen Richards	1,257,282	-	-	770	1,258,052
Elizabeth Savage	124,529	-	-	813	125,342
Declan Sherman	7,397,520	-	162,704	(5,500,000)	2,060,224
Thomas Reardon	3,829,652	-	502,704	-	4,332,356
Ross Thompson	-	-	-	-	-
Megan Just	-	-	47,066	-	47,066
	12,608,983	-	712,474	(5,498,417)	7,823,040

Other Equity-related KMP Transactions

There have been no other transactions involving equity instruments apart from those described in the tables above relating to options, rights and shareholdings.

Other Transactions with KMP and/or their Related Parties

There were no transactions conducted between the Group and KMP or their related parties, apart from those disclosed above relating to equity and compensation, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

END OF AUDITED REMUNERATION REPORT.

DIRECTORS' INFORMATION

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

Dr Glen Richards Appointed 18 October 2017
Non-Executive Director and Chairman
Qualifications: B.V.Sc.(Hons), M.Sc., F.A.I.C.D.
Equity Holdings: Shares: 1,258,052

Glen has over 27 years' experience in the retail and professional services sectors with extensive operational experience in fast growing companies, especially in health care and allied health sectors. Glen was the founding Managing Director of Greencross Limited and Co-Founder of Mammoth Pet Holdings Pty Ltd, prior to its merger with Greencross Limited in 2014. He is currently Chairman of Healthia Limited, Naturo Pty Ltd and Cardionexus Holdings Pty Ltd, and a non-executive director of Adventure Holdings Australia Pty Ltd. Glen is also a shareholder, advisor and mentor of a number of innovative technology companies.

Directorships of other listed companies in the last 3 years: Greencross Limited (from 26 April 2007 to 26 February 2020, noting that Greencross Limited was removed from the official list 27 February 2020), Regeneus Ltd (from 11 April 2015 to 4 June 2020), and Healthia Limited (from 10 May 2018).

DIRECTORS' REPORT (CONT.)

DIRECTORS' INFORMATION (CONT.)

Elizabeth Savage Appointed 18 October 2017
Non-Executive Director
Qualifications: Beng (Hons), MSc, MAICD
Equity Holdings: Shares: 125,342

Liz is a full-time Company Director with extensive commercial leadership and strategic development experience. Previously, Liz held C-suite commercial roles in international businesses in UK, Europe and Australia, including as Business Development Director of easyJet and Chief Commercial Officer of Virgin Australia.

Liz is currently a Non-Executive Director of Intrepid Group (& The Intrepid Foundation), Auckland International Airport, North Queensland Airports and FunLab.

Directorships of other listed companies in the last 3 years: Auckland International Airport Ltd (from 24 October 2019).

Vu Tran Appointed 1 July 2022
Non-Executive Director
Qualifications: Bachelor of Medicine/Bachelor of Surgery (MBBS), Fellowship with the Royal Australian College of General Practitioners
Equity Holdings: Shares: 10,000

Vu was appointed a Non-Executive Director of PeopleIN on 1 July 2022 bringing a wealth of highly complementary experience and entrepreneurial leadership. Vu is the co-founder of Go1 – a venture capital backed e-learning company. With approximately 5 million users worldwide, Go1 is a single online learning solution for organisations and individuals using the world's most comprehensive online library of learning resources developed by leading learning providers. In addition to Go1, Vu is a practising GP having worked as a doctor for over 10 years. Vu also sits on the Board of Sporting Wheelies, an organisation that helps people with a disability access sport, recreation and training.

Directorships of other listed companies in the last 3 years: None.

Declan Sherman Appointed 5 October 2016
Executive Director and Chief Executive Officer (from 01 July 2021 to 25 October 2021)
Qualifications: B.Comm (Hons), Finance
Equity Holdings: Shares: 2,060,224 Performance Rights: 45,561

Declan commenced with PeopleIN in 2015 and was Managing Director of the Company from 2016 to 2021. Declan has a distinguished history in financial services and operational consulting. In 2010, Declan founded Everlight Capital in New York, a leading boutique consulting and investment firm operating throughout the Americas. Between 1999 and 2010, Declan worked in the private equity and investment banking divisions of Macquarie Group in both Sydney and in New York.

Directorships of other listed companies in the last 3 years: None

DIRECTORS' REPORT (CONT.)

DIRECTORS' INFORMATION (CONT.)

Thomas Reardon Appointed 9 January 2017
Executive Director and Divisional Chief Executive Officer
Qualifications: Bbus
Equity Holdings: Shares: 4,332,356, Performance Rights: 162,282

Tom is an Executive Director of PeopleIN and is Divisional Leader of the Industrial and Specialist Services Division. Tom commenced with AWX in 2003, became a director in 2006 and proceeded to significantly grow the business into a leading labour hire and workforce management Group in Australia. He is recognised throughout Australia as a leader in the workforce management sector. Tom has been responsible for major growth and also launched other workforce brands including Mobilise, Tribe, The Recruitment Company and Timberwolf, which have grown to be successful labour hire brands of PeopleIN.

Directorships of other listed companies in the last 3 years: None

Company Secretary

Jane Prior Appointed 6 April 2021
Company Secretary
Qualifications: BA/LLB

Jane holds a Bachelor of Laws and Bachelor of Arts from the University of Queensland and is admitted as a solicitor of the Supreme Courts of Queensland and New South Wales. Jane has worked in law firms in Brisbane and London, in house and has been a company secretary of listed companies for over a decade.

DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) held during the year and the number of meetings attended by each Director was as follows:

	Board Meetings		Audit and Risk Committee		Nomination and Remuneration Committee	
	Held+	Attended	Held+	Attended	Held+	Attended
Glen Richards	11	11	4	4	4	4
Elizabeth Savage	11	11	4	4	4	4
Vu Tran[1]	-	-	-	-	-	-
Declan Sherman[2]	11	11	2	2	2	2
Thomas Reardon	11	11	-	-	-	-

+Held and eligible to attend.

[1] Not eligible to attend as was appointed on the 1 July 2022.

[2] Ceased to be a member of the committees on the 29 November 2021.

DIRECTORS' REPORT (CONT.)

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 48 and forms part of this Directors' Report.

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

GLEN RICHARDS

Chairman

Dated this 26th day of August 2022

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DECLARATION OF INDEPENDENCE BY M CUTRI O THE DIRECTORS OF PEOPLEIN LIMITED

As lead auditor of PeopleIn Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of PeopleIn Limited and the entities it controlled during the period.

M Cutri
Director

BDO Audit Pty Ltd

Brisbane, 26 August 2022

FOR THE YEAR ENDED 30 JUNE 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	30 June 2022 $	30 June 2021 $
Revenue from contracts with customers and other revenue	2	682,321,006	444,280,505
Other income	3	79,774	94,366
Employee benefits expense		(615,806,455)	(395,933,239)
Occupancy expenses		(1,168,444)	(1,247,782)
Depreciation and amortisation expense		(11,100,531)	(6,733,507)
Other expenses		(25,408,414)	(12,155,592)
Finance costs		(2,148,840)	(1,548,488)
Share of profit of equity-accounted investees, net of tax	10(b) (i)	195,817	(6,059)
Profit before income tax expense		26,963,913	26,750,204
Income tax expense	6	(8,567,120)	(9,019,475)
Profit for the period		**18,396,793**	**17,730,729**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations, net of tax		(22,690)	(4,406)
		(22,690)	(4,406)
Total comprehensive income for the period		**18,374,103**	**17,726,323**
Profit for the period is attributable to:			
Owners of PeopleIn Limited		17,671,404	17,663,561
Non-controlling interests	10(c)	725,389	67,168
		18,396,793	**17,730,729**
Total comprehensive income for the period is attributable to:			
Owners of PeopleIn Limited		17,648,714	17,659,155
Non-controlling interests		725,389	67,168
		18,374,103	**17,726,323**
Basic earnings per share attributable to the shareholders of PeopleIn Limited			
Basic earnings per share (cents per share)	5	18.60	19.27
Diluted earnings per share attributable to the shareholders of PeopleIn Limited			
Diluted earnings per share (cents per share)	5	18.17	18.43

The above Consolidated Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 June 2022	30 June 2021
		$	$
Current assets			
Cash and cash equivalents	7	26,977,326	13,721,681
Trade and other receivables	11	107,524,490	75,978,424
Other current assets		12,195,145	1,680,363
Total current assets		**146,696,961**	**91,380,468**
Non-current assets			
Trade and other receivables	11	211,919	17,210
Investment in Joint Venture	10 (b)	50,650	(6,009)
Property, plant and equipment	12	15,816,109	9,061,076
Intangible assets	13	202,020,272	116,947,834
Total non-current assets		**218,098,950**	**126,020,111**
Total assets		**364,795,911**	**217,400,579**
Current liabilities			
Trade and other payables	14	50,951,472	33,736,303
Contingent consideration	15	13,015,804	6,877,665
Financial liabilities	16	37,495,339	18,330,732
Current tax liabilities		2,077,954	3,252,121
Employee benefits	17	16,673,472	4,533,842
Total current liabilities		**120,214,041**	**66,730,663**
Non-current liabilities			
Contingent consideration	15	17,047,253	1,952,837
Financial liabilities	16	74,045,339	28,639,997
Deferred tax liabilities	6 (d)	10,222,741	4,828,542
Employee benefits	17	915,123	646,075
Total non-current liabilities		**102,230,456**	**36,067,451**
Total liabilities		**222,444,497**	**102,798,114**
Net assets		**142,351,414**	**114,602,465**
Equity			
Share capital	18	101,534,297	83,131,730
Retained earnings		32,754,986	26,944,859
Reserves		5,467,745	2,156,879
		139,757,028	112,233,468
Non-controlling interests	10 (c)	2,594,386	2,368,997
Total equity		**142,351,414**	**114,602,465**

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

FOR THE YEAR ENDED 30 JUNE 2022

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	30 June 2022 $	30 June 2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (GST Inclusive)		753,112,071	475,406,211
Payments to suppliers and employees (GST Inclusive)		(714,985,652)	(455,044,666)
Interest received		5,801	8,833
Finance costs paid		(2,148,840)	(1,548,488)
Income taxes paid		(13,918,660)	(11,239,259)
Net cash provided by operating activities	8 (a)	**22,064,720**	**7,582,631**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		37,174	9,649
Purchase of property, plant and equipment		(2,425,040)	(808,992)
Purchase of intangible assets		(2,064,149)	(493,906)
Purchase of subsidiaries (net of cash acquired)	9	(49,827,706)	(21,996,785)
Proceeds from disposal of subsidiaries (net of cash disposed)		(197,098)	-
Dividends received from investments equity accounted	10(b)(i)	139,158	-
Net cash (used in)/provided by investing activities		**(54,337,661)**	**(23,290,034)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		65,993,551	10,720,000
Repayments of borrowings		(6,597,630)	(4,492,480)
Repayments of lease liabilities	8(c)	(3,574,215)	(1,878,248)
Proceeds from share issue		340,000	640,000
Dividends paid	18	(10,611,239)	(7,050,708)
Net cash used in financing activities		**45,550,467**	**(2,061,436)**
Net change in cash and cash equivalents held		**13,277,526**	**(17,768,839)**
Effects of foreign exchange on Cash		(21,881)	25,555
Cash and cash equivalents at beginning of financial period		13,721,681	31,464,965
Cash and cash equivalents at end of financial period	7	**26,977,326**	**13,721,681**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

	Share capital $	Retained earnings $	Shared option reserve $	Foreign currency reserve $	Other reserves $	Total $	Non-controlling interests $	Total Equity $
Balance at 1 July 2021	83,131,730	26,944,859	2,150,714	(64,278)	70,443	112,233,468	2,368,997	114,602,465
Profit for the period	-	17,671,404	-	-	-	17,671,404	725,389	18,396,793
Other comprehensive loss for the period	-	-	-	(22,690)	-	(22,690)	-	(22,690)
Total comprehensive loss for the period	-	17,671,404	-	(22,690)	-	17,648,714	725,389	18,374,103
Transactions with owners, in their capacity as owners								
Transfer from reserves	-	(3,840)	-	3,840	-	-	-	-
Issue of share capital	16,656,369	-	-	-	-	16,656,369	-	16,656,369
Dividends reinvested	1,746,198	-	-	-	-	1,746,198	-	1,746,198
Dividends paid	-	(11,857,437)	-	-	-	(11,857,437)	(500,000)	(12,357,437)
Employee share-based payment options	-	-	3,329,716	-	-	3,329,716	-	3,329,716
	18,402,567	(11,861,277)	3,329,716	3,840	-	9,874,846	(500,000)	9,374,846
Balance at 30 June 2022	**101,534,297**	**32,754,986**	**5,480,430**	**(83,128)**	**70,443**	**139,757,028**	**2,594,386**	**142,351,414**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Share capital $	Retained earnings $	Shared option reserve $	Foreign currency reserve $	Other reserves $	Total $	Non-controlling interests $	Total Equity $
Balance at 1 July 2020	78,230,119	17,519,008	1,013,573	(59,872)	70,443	96,773,271	-	96,773,271
Profit for the period	-	17,663,561	-	-	-	17,663,561	67,168	17,730,729
Other comprehensive loss for the period	-	-	-	(4,406)	-	(4,406)	-	(4,406)
Total comprehensive loss for the period	-	17,663,561	-	(4,406)	-	17,659,155	67,168	17,726,323
Transactions with owners, in their capacity as owners								
Issue of share capital	3,714,609	-	-	-	-	3,714,609	-	3,714,609
Dividends reinvested	1,187,002	-	-	-	-	1,187,002	-	1,187,002
Dividends paid	-	(8,237,710)	-	-	-	(8,237,710)	-	(8,237,710)
Employee share-based payment options	-	-	1,137,141	-	-	1,137,141	-	1,137,141
Non-controlling interest on acquisition of subsidiary – refer to note 9	-	-	-	-	-	-	2,301,829	2,301,829
	4,901,611	(8,237,710)	1,137,141	-	-	(2,198,958)	2,301,829	102,871
Balance at 30 June 2021	**83,131,730**	**26,944,859**	**2,150,714**	**(64,278)**	**70,443**	**112,233,468**	**2,368,997**	**114,602,465**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

ABOUT THIS REPORT

The financial statements of PeopleIn Limited (formerly People Infrastructure Limited) for the year ended 30 June 2022 covers the Consolidated Entity consisting of PeopleIn Limited (PeopleIN) and its controlled entities (together referred to as the "Group") as required by the Corporations Act 2001.

The financial statements are presented in the Australian currency.

PeopleIn Limited is a Public Company, incorporated and domiciled in Australia.

The principal activities of the Group during the financial period were the provision of workforce management, contracted staffing, recruitment and human resources outsourcing services. Services provided by the Group include recruiting, on-boarding, contracting, rostering, timesheet management, payroll, and workplace health and safety management.

There have been no significant changes in the nature of these activities during the period.

The consolidated general-purpose financial report of the Group for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the directors on 26 August 2022. The Directors have the power to amend and reissue the financial report. The financial report is a general-purpose financial report which:

- has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board;
- adopts all new and amended Accounting Standards and Interpretations issued by the AASB and IFRS that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2021. Refer to note 30 for further details; and
- does not early adopt any Australian Accounting Standards and Interpretations that have been issued or amended but are not yet effective, except for those described in Note 30 and 31. Refer to Note 30 for details on standards not early adopted.

The financial statements have been prepared on a historical cost basis, except for contingent consideration which has been measured at fair value. PeopleIN is a for-profit entity for the purposes of Australian Accounting Standards.

KEY JUDGEMENTS AND ESTIMATES

In the process of applying the Group's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates which are material to the financial report are found in the following notes:

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

BASIS OF CONSOLIDATION

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed, or has the 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.

All intercompany balances and transactions, including unrealised profits arising from intragroup transactions have been eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. The financial statements of subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies.

FOREIGN CURRENCY TRANSLATION

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Foreign exchange differences arising on translation are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the Australian Dollars ($AUD) are translated into $AUD upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into $AUD at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into $AUD at the closing rate. Income and expenses have been translated into $AUD at the average rate over the reporting period. Exchange differences are charged/credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal.

OTHER ACCOUNTING POLICIES

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

THE NOTES TO THE FINANCIAL STATEMENTS

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the Group. Information is considered relevant and material if for example:

- the amount in question is significant because of its size or nature;
- it is important for understanding the results of the Group;
- it helps to explain the impact of significant changes in the Group's business for example, acquisitions and impairment write-downs; or
- it is related to an aspect of the Group's operations that is important to its future performance.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 1: SEGMENT INFORMATION

AASB 8 OPERATING SEGMENTS

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker to allocate resources to the segment and to assess their performance. As a result, the Group segments the business into three verticals, Industrial and Specialist Services, Professional Services and Health and Community. Professional Services was previously known as Technology, however, with the acquisition of Perigon (who focus on finance and accounting recruitment as well as technology) it was determined that the segment be expanded to cover all professional service offerings. There is no material difference between the segmentation of the Group's turnover by division. The Group's operations comprise one class of business, that of qualified, professional and skilled recruitment. The Group's CEO, which is regarded as the chief operating decision maker, uses Earnings before Tax, Interest, Depreciation and Amortisation (EBITDA) by segment as its measure of profit in internal reports, rather than net profit after tax (NPAT). The Group's CEO considers EBITDA for the purpose of making decisions about allocating resources. The Group does not report items below EBITDA by segment in its internal management reporting. The full detail of these items can be seen in the Group Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 49.

		Revenue		EBITDA
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	$	$	$	$
Industrial and Specialist Services	414,951,565	251,174,772	21,609,364	16,704,020
Health and Community	139,150,408	132,697,893	11,953,516	16,688,991
Professional Services	128,208,933	60,374,266	17,648,268	8,341,028
Unallocated	10,100	33,574	(10,997,864)	(6,701,840)
Total	682,321,006	444,280,505	40,213,284	35,032,199

Unallocated relates to holding and head companies and the administration company which encompasses the costs of the shared services function. The decrease in the health and community EBITDA is a reflection of not receiving Jobkeeper payments in the current financial year and also the impact of Covid-19 lockdowns, restrictions and the delay of elective surgeries, particularly in Victoria and New South Wales.

RECONCILIATION OF EBITDA TO STATUTORY PROFIT AFTER TAX

	30 June 2022	30 June 2021
	$	$
EBITDA	40,213,284	35,032,199
Income tax expense	(8,567,120)	(9,019,475)
Depreciation and amortisation	(11,100,531)	(6,733,507)
Finance costs	(2,148,840)	(1,548,488)
Statutory profit after tax	18,396,793	17,730,729

NET TRADE RECEIVABLES

For the purpose of monitoring performance and allocating resources from a balance sheet perspective, the Group's CEO monitors trade receivables net of provisions for impairments only on a segment by segment basis. These are monitored on a constant currency basis for comparability throughout the year. These are shown below and reconciled to the totals as shown in note 11. The increase in net trade receivables in relation to Industrial and Specialist Services is largely due to the acquisition of FIP Group and growth in Techforce Personnel. The increase in net trade receivables in relation to Professional Services is largely due to the acquisition of Perigon Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 1: SEGMENT INFORMATION (CONT.)

	Net trade receivables 30 June 2022 $	Net trade receivables 30 June 2021 $
Industrial and Specialist Services	67,987,819	48,305,487
Health and Community	10,799,522	11,423,011
Professional Services	13,436,699	8,958,412
Total	**92,224,040**	**68,686,910**

NOTE 2: REVENUE AND OTHER REVENUE

	30 June 2022 $	30 June 2021 $
Revenue from contracts with customers		
Recognised/measured at a point in time		
Contract hire revenue	612,828,056	395,662,173
Planting revenue	3,892,924	4,462,835
Managed services revenue	12,532,050	1,496,213
Recruitment revenue	36,522,934	15,788,911
Consultancy and other sales revenue	4,299,859	3,058,983
	670,075,823	420,469,115
Recognised over time		
Project managed services revenue	9,096,870	9,216,258
Total revenue from contracts with customers	**679,172,693**	**429,685,373**
Other revenue		
Government subsidies	3,148,313	14,595,132
Total other revenue	3,148,313	**14,595,132**
Total revenue and other revenue	**682,321,006**	**444,280,505**

The above table depicts the disaggregation of revenue from customers in that it reflects the different product lines from which revenue is generated based on the natures of the service being provided. Additionally, it segregates those services performed at a point in time and those performed over time and also described below.

GOVERNMENT SUBSIDIES

As a result of the Covid-19 pandemic, governments have responded with various stimulus packages, to provide relief to companies and individuals, to ensure business and employment continuity. The significant decrease to the Group was due to receiving Jobkeeper in the prior year. The gross receipts are contained within government subsidies above. The payments to employees and other on-costs related to Jobkeeper are contained within employee benefits expense.

RECOGNITION AND MEASUREMENT

The Group is in the business of providing contracted staffing and human resources outsourcing services. Services provided by the Group include recruiting, on-boarding, rostering, timesheet management, payroll, and workplace health and safety management. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 2: REVENUE AND OTHER REVENUE (CONT.)

RECOGNITION AND MEASUREMENT

Contract Hire

The Group has determined that revenue from the provision of contract hire is to be recognised when the temporary workers are provided to the client and their time is invoiced to the client. AASB 15 contains a practical expedient that allows revenue to be recognised when the entity has the right to invoice if the amount invoiced corresponds directly with the performance completed to date. This is the case with contract hire revenue.

Other services revenue, including:

Planting

Similar to contract hire revenue, invoicing of planting revenue reflects the performance completed to date. Once plants have been planted an invoice is issued reflecting that performance obligation. Therefore, the practical expedient has again been applied and revenue is recognised at the time of invoicing.

Managed services

Similarly, to contract hire the performance obligations under maintenance contracts are satisfied concurrently with the issuing of the invoice and therefore revenue is recognised at that point in time.

Recruitment revenue

Performance obligations associated with recruitment revenue are satisfied when an individual is permanently placed with a client. Therefore, the performance obligation is satisfied upon the individual commencing employment with the client.

Project managed services

The contracts associated with managed services fall into two types of performance obligations, being projects and managed services. With project managed services performance obligations, a continual assessment of the performance obligation is made, and revenue is only recognised at the point when the performance obligation is satisfied. Therefore, there may be a contract asset recognised on the statement of financial position relating to these contracts.

Variable consideration and warranties

Contracts do not provide for discounts or rebates which give rise to variable consideration. Neither do they contain provision for warranties.

Government subsidies

Government subsidies are recognised at their fair value where there is reasonable assurance that the subsidy will be received, and the Group will comply with all of the attached conditions. The Group have adopted the gross method of accounting for government subsidies. Therefore, the government subsidies reflected in other revenue is the gross receipts. The expenditure in relation to satisfying the requirements of obtaining these subsidies are included in expenses. Cashflows are reflected in receipts from customers for the monies received from the various government departments and payments to suppliers and employees for the payments to employees.

NOTE 3: OTHER INCOME

	30 June 2022 $	30 June 2021 $
Rental income	73,973	600
Rental discounts	-	84,933
Interest revenue – third parties	5,801	8,833
	79,774	**94,366**

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 4: EXPENSES

	30 June 2022 $	30 June 2021 $
Employee benefits expense include:		
Defined contribution superannuation expense	43,683,545	28,792,428
Share-based payments expense	3,329,716	1,137,141
Depreciation and amortisation expense		
Depreciation expense - plant and equipment	4,634,884	2,601,777
Amortisation expense - intangibles	6,465,647	4,131,730
	11,100,531	**6,733,507**
Other expenses include:		
Loss on fair value of contingent consideration [1]	3,545,556	944,861
Impairment (write back) / expense - receivables	2,390,413	(111,960)
Net loss on disposal of property, plant and equipment	137,526	230,290
Net loss on disposal of controlled entity	99,422	-
Occupancy expenses include:		
Expenses relating to leases of low-value assets	130,720	148,881
Expenses relating to short-term property leases	273,018	181,131
Finance costs include:		
Interest on lease liabilities	477,954	373,804
Interest on borrowing facilities	1,322,351	842,526

[1] This contains a non-cash expense of $3,455,893 which is the fair value adjustment of the contingent consideration that will be settled via the issue of PeopleIN shares (i.e. not cash) with respect to the acquisition of Halcyon Knights Pty Ltd, Halcyon Knights Commercial and Contracting Pty Ltd and Halcyon Knights New Zealand Limited. The remainder of the contingent consideration relating to the other entities will be cash settled except for Vision Surveys QLD of which 25% will be share settled.

RECOGNITION AND MEASUREMENT

Post-employment benefits plans

The Group provides post-employment benefits through defined contribution plans.

Defined contribution plans

The Group pays fixed contributions into independent entities in relation to several state plans and insurance for individual employees. The Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 5: EARNINGS PER SHARE

	30 June 2022 $	30 June 2021 $
Profit attributable to the shareholders of PeopleIn Limited:		
Profit	17,671,404	17,663,561
Weighted average number of ordinary shares used in the calculation of basic profit per share	95,008,951	91,670,201
Adjustments for calculation of diluted earnings per share:		
Options and performance rights	2,238,889	4,171,989
Weighted average number of ordinary shares used in the calculation of diluted profit per share	97,247,840	95,842,190

INFORMATION CONCERNING THE CLASSIFICATION OF SECURITIES

Options and performance rights

Options and performance rights granted to employees under the PeopleIn Limited Employee Option Plan are considered to be potential ordinary shares. They have been included in the determination of diluted earnings per share if the required TSR and EPS growth hurdles would have been met based on the Company's performance up to the reporting date, and to the extent to which they are dilutive. The options and performance rights have not been included in the determination of basic earnings per share. Details relating to the options and performance rights are set out in note 19.

NOTE 6: INCOME TAXES

	30 June 2022 $	30 June 2021 $
(a) The components of income tax expense comprise:		
Current tax	9,879,161	10,666,311
Deferred tax	(1,365,676)	(2,100,530)
Over/(under) provision in respect of prior years	53,635	453,694
	8,567,120	**9,019,475**
(b) Reconciliation prima facie income tax on the profit is reconciled to the income tax expense as follows:		
Prima facie tax expense on loss before income tax at 30%	8,089,174	8,025,061
Tax effect of:		
• non-deductible entertainment	106,590	78,166
• non-deductible share-based payments	-	341,142
• other non-deductible expenses	110,532	15,522
• share based payments	(442,496)	-
• debts forgiven	(105,754)	-
• other non-assessable items	(308,228)	(177,568)
• fair value of contingent consideration	1,063,667	283,458
• over/(under) provision in respect of prior years	53,635	453,694
Income tax expense attributable to the Group	**8,567,120**	**9,019,475**
The applicable weighted average effective tax rates are:	**31.77%**	**33.72%**

(c) Franking Account	30 June 2022 $	30 June 2021 $
The balance of the franking account at year end adjusted for franking credits or debits arising from payment of the provision for income tax or receipt of dividends receivable at the end of the reporting date based on a tax rate of 30%	**27,853,818**	**21,753,727**

(d) Deferred taxes

2022	Opening Balance	Recognised in Profit or loss	Recognised on Acquisition	Recognised in Equity	Closing Balance	Deferred Tax Asset	Deferred Tax liability
Provision for doubtful debts	92,284	183,145	22,037	-	297,466	297,466	-
Provision for long service leave	453,788	83,262	161,904	-	698,954	698,954	-
Provision for annual leave	1,100,187	527,110	2,950,327	-	4,577,624	4,577,624	-
Accrued expenses	1,969,435	281,653	738,890	-	2,989,978	2,989,978	-
Amortisation of intangibles	33,682	(33,682)	-	-	-	-	-
Blackhole expenses	44,480	657	-	-	45,137	45,137	-
Borrowing costs	18,837	5,186	-	-	24,023	24,023	-
Share issue costs	348,827	(194,125)	-	-	154,702	154,702	-
Lease liability	2,399,834	327,564	1,224,645	-	3,952,043	3,952,043	-
Accrued income	(1,789,583)	(690,778)	(187,767)	-	(2,668,128)	-	(2,668,128)
Equipment leases	(139,230)	(40,334)	-	-	(179,564)	-	(179,564)
Right of use assets	(2,003,264)	(192,006)	(1,235,821)	-	(3,431,091)	-	(3,431,091)
Plant and Equipment	-	(692,718)	-	-	(692,718)	-	(692,718)
Customer relationships	(4,243,940)	1,559,795	(6,698,881)	-	(9,383,026)	-	(9,383,026)
Brand names	(2,824,495)	-	(3,735,209)	-	(6,559,704)	-	(6,559,704)
Candidate database	(290,500)	264,743	-	-	(25,757)	-	(25,757)
Workers compensation receivable	(702)	(6,798)	-	-	(7,500)	-	(7,500)
Equity accounted investments	1,818	(16,998)	-	-	(15,180)	-	(15,180)
TOTAL	**(4,828,542)**	**1,365,676**	**(6,759,875)**	**-**	**(10,222,741)**	**12,739,927**	**(22,962,668)**

(d) Deferred taxes (cont.)

2021	Opening Balance	Recognised in Profit or loss	Recognised on Acquisition	Recognised in Equity	Closing Balance	Deferred Tax Asset	Deferred Tax liability
Provision for doubtful debts	210,166	(169,420)	51,538	-	92,284	92,284	-
Provision for long service leave	338,184	38,640	76,964	-	453,788	453,788	-
Provision for annual leave	767,021	195,936	137,230	-	1,100,187	1,100,187	-
Accrued expenses	1,962,611	(528,191)	535,015	-	1,969,435	1,969,435	-
Amortisation of intangibles	103,833	(70,151)	-	-	33,682	33,682	-
Candidate database	483,081	119,645	(893,226)	-	(290,500)	-	290,500
Blackhole expenses	94,286	(49,806)	-	-	44,480	44,480	-
Borrowing costs	18,660	177	-	-	18,837	18,837	-
Share issue costs	542,956	(194,129)	-	-	348,827	348,827	-
Lease liability	1,262,976	577,454	559,404	-	2,399,834	2,399,834	-
Accrued income	(2,290,976)	609,400	(108,007)	-	(1,789,583)	-	(1,789,583)
Government subsidy receivable	(1,126,800)	1,126,800	-	-	-	-	-
Equipment leases	(622)	(138,608)	-	-	(139,230)	-	(139,230)
Right of use assets	(1,094,178)	(372,744)	(536,342)	-	(2,003,264)	-	(2,003,264)
Customer relationships	(2,534,052)	951,744	(2,661,632)	-	(4,243,940)	-	(4,243,940)
Brand names	(1,391,060)	-	(1,433,435)	-	(2,824,495)	-	(2,824,498)
Workers compensation receivable	(2,667)	1,965	-	-	(702)	-	(702)
Equity accounted investments	-	1,818	-	-	1,818	-	1,818
TOTAL	**(2,656,581)**	**2,100,530**	**(4,272,491)**	**-**	**(4,828,542)**	**6,461,354**	**(11,289,896)**

KEY JUDGEMENTS

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 6: INCOME TAXES (CONT.)

RECOGNITION AND MEASUREMENT

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

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination. Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled

PeopleIn Limited and its wholly owned subsidiaries have implemented the tax consolidation legislation for the whole of the financial period. PeopleIn Limited is the head entity in the tax consolidated Group. These entities are taxed as a single entity. The stand-alone taxpayer/separate taxpayer within a Group approach has been used to allocate current income tax expense and deferred tax expense to wholly owned subsidiaries that form part of the tax consolidated Group. PeopleIn Limited has assumed all the current tax liabilities and the deferred tax assets arising from unused tax losses for the tax consolidated Group via intercompany receivables and payables because a tax funding arrangement has been in place for the whole financial period. The amounts receivable/payable under tax funding arrangements is due upon notification by the head entity, which is issued soon after the end of each financial year. Interim funding notices may also be issued by the head entity to its wholly owned subsidiaries in order for the head entity to be able to pay tax instalments. These amounts are recognised as current intercompany receivables or payables.

The Group notified the Australian Taxation Office that it had formed an income tax consolidated Group to apply from 6 October 2016.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 7: CASH AND CASH EQUIVALENTS

	2022 $	2021 $
Cash on hand	1,490	710
Cash at bank	26,975,836	13,720,971
	26,977,326	**13,721,681**

Cash at bank bear floating interest rates between 0.01% and 3.48% (2021: 0.01% and 1.85%).

Reconciliation of Cash

The above figures are reconciled to the cash at the end of the financial period as shown in the consolidated statement of cashflows as follows:

Cash at bank and in hand	**26,977,326**	**13,721,681**

RECOGNITION AND MEASUREMENT

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash on hand and at bank, 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 and bank overdrafts.

Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

NOTE 8: CASH FLOW INFORMATION

	2022 $	2021 $
(a) Reconciliation of cash flow from operations with profit/(loss) after income tax		
Profit after income tax	18,396,793	17,730,729
Non-cash flows in profit:		
Depreciation and amortisation	11,100,531	6,733,507
Bad and doubtful debts	2,390,413	(111,960)
Net loss on disposal of property, plant and equipment	137,526	230,290
Net loss on disposal of subsidiary	99,422	-
Lease reassessment	-	65,286
Fair value adjustment on contingent consideration	3,545,556	944,861
Share of loss of equity-accounted investees, net of tax	(195,816)	6,059
Share based payments expense	3,329,716	1,137,141
Changes in assets and liabilities:		
Change in trade and other receivables	(88,724)	(11,283,432)
Change in net deferred taxes	(1,365,678)	(2,100,419)
Change in other assets	(7,807,943)	174,611
Change in trade and other payables	(5,440,619)	(6,557,211)
Change in income taxes payable	(3,985,863)	(119,364)
Change in employee benefits	1,949,406	732,533
Net cash provided by operating activities	**22,064,720**	**7,582,631**

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 8: CASH FLOW INFORMATION (CONT.)

(b) Non-cash financing and investing activities

No non-cash acquisitions of plant and equipment through leases (2021: $44,690) occurred during the year.

Shares issued to settle contingent considerations – see note 18.

Shares issued to settle business acquisition – see note 18.

Dividends satisfied by the issue of shares under the dividend reinvestment plan – see note 18.

Options and shares issued to employees under the employee options plan and employee share scheme for no cash consideration – see note 18.

(c) Cash and Non-Cash Movements in Liabilities arising from Financing Activities

The following table reconciles the cash and non-cash movements in liabilities arising from financing activities.

			NON-CASH CHANGES		
	2021	Net cash flows	Acquisition of leased assets	On Acquisition	2022
Borrowings	$	$	$	$	$
Credit cards	77,611	63,246	-	-	140,857
Working capital facility	10,510,296	14,993,551	-	-	25,503,847
Commercial bills	28,383,374	44,339,124	-	-	72,722,498
Lease liabilities	7,999,448	(3,574,215)	4,585,356	4,162,887	13,173,476
	46,970,729	**55,821,706**	**4,585,356**	**4,162,887**	**111,540,678**

			NON-CASH CHANGES		
	2020	Net cash flows	Acquisition of leased assets	On Acquisition	2021
Borrowings	$	$	$	$	$
Credit cards	76,547	1,064	-	-	77,611
Working capital facility	-	(646,228)	-	11,156,524	10,510,296
Commercial bills	21,510,690	6,872,684	-	-	28,383,374
Lease liabilities	5,043,523	(1,878,248)	2,796,860	2,037,313	7,999,448
	26,630,760	**4,349,272**	**2,796,860**	**13,193,837**	**46,970,729**

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 9: ACQUISITION OF BUSINESSES

ACQUISITION OF SUBSIDIARIES

Vision Surveys QLD Pty Ltd

On the 30 July 2021, 100% of the shares of Vision Surveys (QLD) Pty Ltd were acquired. Vision Surveys (Qld) is a multi-discipline surveying business servicing metropolitan and regional Queensland, with a focus on large infrastructure projects, construction and residential development and buildings and is complementary to PeopleIN's existing Industrial and Specialist Services business. Details of the acquisition and the fair values of the assets and liabilities acquired are as follows:

	30 July 2021
Purchase consideration	**$**
Cash consideration	4,630,795
Share issue consideration	1,605,642
Contingent consideration	2,633,858
Total consideration	**8,870,295**
Assets and liabilities acquired:	
Cash and cash equivalents	149,833
Trade and other receivables	1,694,347
Other current assets	301,460
Property, plant and equipment	1,427,011
Deferred tax assets	179,018
Trade and other payables	(801,385)
Employee entitlements	(662,141)
Current tax liabilities	(195,304)
Financial liabilities	(1,212,143)
Fair value of assets and liabilities acquired	**880,696**
Identifiable assets acquired	
Brand names	102,483
Customer relationships	1,714,603
Deferred tax liability	(545,127)
Total identifiable assets acquired and liabilities assumed	**2,152,655**
Goodwill on acquisition	**6,717,640**
Cashflows on acquisition	
Cash consideration	4,630,795
Cash acquired	(149,833)
Total cashflows outflows on acquisition	**4,480,962**
Results included in the consolidated results relating to Vision Surveys QLD Pty Ltd for the period	
Revenue	12,492,091
Profit and loss after tax	868,702
Results had Vision Surveys QLD Pty Ltd been part of the consolidated group for the full year	
Revenue	13,899,908
Profit and loss after tax	1,105,290

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 9: ACQUISITION OF BUSINESSES (CONT.)

GMT Group

On the 30 November 2021, 100% of the shares in the holding company (GMT Group Pty Ltd) of GMT Business Services Pty Ltd, GMT Canberra Pty Ltd, GMT Melbourne Pty Ltd and GMT Brisbane Pty Ltd (together "GMT People") were acquired. GMT People is a Canberra-based recruitment business specialising in contract and permanent IT recruitment solutions for the Information Technology industry. It is a contracted preferred supplier to Australian Federal Government Departments and Agencies and a number of Universities. Therefore, it allows the group to expand into government contracts in the Canberra region. Details of the acquisition and the fair values of the assets and liabilities acquired are as follows:

	30 November 2021
Purchase consideration	**$**
Cash consideration	800,000
Contingent consideration	1,190,497
Total consideration	**1,990,497**
Assets and liabilities acquired:	
Cash and cash equivalents	776,895
Trade and other receivables	803,160
Other current assets	84,626
Property, plant and equipment	77,468
Deferred tax assets	60,104
Trade and other payables	(537,593)
Employee entitlements	(112,041)
Current tax liabilities	(68,459)
Financial liabilities	(67,672)
Fair value of assets and liabilities acquired	**1,016,488**
Identifiable assets acquired	
Customer relationships	355,722
Candidate database	271,917
Deferred tax liability	(106,717)
Total identifiable assets acquired and liabilities assumed	**1,537,410**
Goodwill on acquisition	**453,087**
Cashflows on acquisition	
Cash consideration	800,000
Cash acquired	(776,895)
Total cashflows outflows on acquisition	**23,105**
Results included in the consolidated results relating to GMT Group for the period	
Revenue	11,686,574
Profit and loss after tax	54,774
Results had GMT Group been part of the consolidated group for the full year	
Revenue	19,568,133
Profit and loss after tax	37,262

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 9: ACQUISITION OF BUSINESSES (CONT.)

Perigon Group

On the 28 February 2022, 100% of the shares in Perigon Group Pty Limited were acquired. Perigon Group is a market leading recruitment firm with operations across Sydney, Melbourne and Brisbane. They primarily recruit finance, accounting and technology candidates for permanent and contract opportunities. The services offered by Perigon complement the Technology division and as such a new 'Professional Services' division has been formed. Details of the acquisition and the fair values of the assets and liabilities acquired are as follows:

	28 February 2022
Purchase consideration	**$**
Cash consideration	15,400,000
Contingent consideration	15,429,960
Total consideration	**30,829,960**
Assets and liabilities acquired:	
Cash and cash equivalents	1,022,229
Trade and other receivables	2,554,180
Other current assets	136,414
Property, plant and equipment	892,823
Deferred tax assets	6,670
Trade and other payables	(1,667,522)
Employee entitlements	(254,516)
Current tax liabilities	(297,975)
Financial liabilities	(876,195)
Fair value of assets and liabilities acquired	**1,516,108**
Identifiable assets acquired	
Brand names	1,405,995
Customer relationships	6,635,062
Deferred tax liability	(2,412,318)
Total identifiable assets acquired and liabilities assumed	**7,144,847**
Goodwill on acquisition	**23,685,113**
Cashflows on acquisition	
Cash consideration	15,400,000
Cash acquired	(1,022,229)
Total cashflows outflows on acquisition	**14,377,771**
Results included in the consolidated results relating to Perigon Pty Ltd for the period	
Revenue	12,498,902
Profit and loss after tax	2,247,132
Results had Perigon Pty Ltd been part of the consolidated group for the full year	
Revenue	30,573,740
Profit and loss after tax	4,484,481

Provisional accounting has been applied given how recent this acquisition is. The finalisation of the review of reconciliations and valuations of identified assets is still being completed given the recent completion of this transaction.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 9: ACQUISITION OF BUSINESSES (CONT.)

Food Industries Group

On 6 June 2022, 100% of the shares in the holding company (FIP Group Holdings Pty Ltd) of Food Industry People Group Pty, Revmax Pty Ltd, People Solutions Now Pty Ltd, Agribusiness Pty Ltd, Meat Workforce Pty Ltd, Meat Processors Pty Ltd, Managed Workforce Solutions Pty Ltd, Food Professional Australia Pty Ltd, Meat People Pty Ltd, Food Industry Employees Pty Ltd, Food Industry Employees No 2 Pty Ltd, FIP Group Services Pty Ltd, Regional Workforce Management Pty Ltd, Food Industry People Pty Ltd, Food Industry Regional Employees Pty Ltd together ("FIP Group") were acquired. FIP Group is a Brisbane-based recruitment business specialising staff offerings to the Agricultural and Food industries. The Group is an approved employer for the PALM (Pacific Australia Labour Mobility) scheme and the majority of its candidates are recruited through this scheme. FIP Group's operations are complementary to PeopleIN's existing Industrial and Specialist Services business Details of the acquisition and the fair values of the assets and liabilities acquired are as follows:

	6 June 2022
Purchase consideration	**$**
Cash consideration (net of buyer loan)	22,721,019
Share issue consideration	10,244,648
Contingent consideration	7,614,068
Total consideration	**40,579,735**
Assets and liabilities acquired:	
Cash and cash equivalents	5,802,792
Trade and other receivables	21,150,806
Other current assets	7,900,701
Property, plant and equipment	4,129,568
Deferred tax assets	3,428,423
Trade and other payables	(18,665,566)
Employee entitlements	(9,188,497)
Current tax liabilities	(2,249,959)
Financial liabilities	(11,616,523)
Fair value of assets and liabilities acquired	**691,745**
Identifiable assets acquired	
Brand names	10,942,218
Customer relationships	13,624,215
Deferred tax liability	(7,369,930)
Total identifiable assets acquired and liabilities assumed	**17,888,248**
Goodwill on acquisition	**22,691,487**
Cashflows on acquisition	
Cash consideration	22,721,019
Buyer loan	8,778,981
Cash acquired	(5,802,792)
Total cashflows outflows on acquisition	**25,697,208**
Results included in the consolidated results relating to FIP Group Holdings Pty Ltd for the period	
Revenue	24,223,763
Profit and loss after tax	574,500

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 9: ACQUISITION OF BUSINESSES (CONT.)

Food Industries Group (cont.)

Results had FIP Group Holdings Pty Ltd been part of the consolidated group for the full year

Revenue	268,461,324
Profit and loss after tax	4,668,224

Provisional accounting has been applied given how recent this acquisition is. The finalisation of the review of reconciliations and valuations of identified assets is still being completed given the recent completion of this transaction.

Techforce Personnel Pty Ltd

During the year, the provisional accounting initially applied to the Techforce Personnel Pty Ltd acquisition was amended. This was due to additional information becoming available with regards to the doubtful debts provisioning, carrying value of payables and lease accounting. A summary of the adjustments is as follows.

	Original 2 June 2021 $	Adjustments $	Amended 2 June 2021 $
Trade and other receivables	22,156,347	(693,978)	21,462,369
Trade and other payables	(7,560,936)	(107,742)	(7,668,678)
Financial liabilities	(12,196,725)	(145,699)	(12,342,424)
Fair value of assets and liabilities acquired	2,044,921	(947,419)	1,097,502
Goodwill on acquisition	9,833,445	947,419	10,780,864

SUMMARY OF CASHFLOWS OF ACQUISITIONS

	2022 $	2021 $
Cash paid for subsidiaries acquired (net of cash acquired)		
SMC Refrigeration, Airconditioning & Electrical Pty Ltd	-	(300,000)
ECT4Health Pty Ltd	-	(150,000)
eCareer Employment Services Pty Ltd and Illuminate Search and Consulting Pty Ltd	-	(5,057,495)
Swingshift	-	(3,100,000)
Techforce Personnel Pty Ltd	(2,951,729)	(13,389,290)
Vision Surveys QLD Pty Ltd	(4,480,962)	-
GMT Group Pty Ltd1	(841,818)	-
Perigon Pty Ltd1	(15,855,988)	-
Food Industries Group	(25,697,209)	-
Total cash paid for subsidiaries acquired (net of cash acquired)	**(49,827,706)**	**(21,996,785)**

The cashflows for Techforce Personnel Pty Ltd relates to the payment of contingent consideration and holdback amounts made under the original contract.

[1] These cashflows include payments subsequent to acquisitions in relation to holdback and working capital adjustments.

For all above acquisitions, goodwill will not be deductible for tax purposes.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 9: ACQUISITION OF BUSINESSES (CONT.)

RECOGNITION AND MEASUREMENT

The acquisition method of accounting is used to account for all business combinations. Consideration is measured at the fair value of the assets transferred, liabilities incurred and equity interests issued by the Group on acquisition date. Consideration also includes the acquisition date fair values of any contingent consideration arrangements, any pre-existing equity interests in the acquiree and share- based payment awards of the acquiree that are required to be replaced in a business combination. The acquisition date is the date on which the Group obtains control of the acquiree. Where equity instruments are issued as part of the consideration, the value of the equity instruments is their published market price at the acquisition date unless, in rare circumstances it can be demonstrated that the published price at acquisition date is not fair value and that other evidence and valuation methods provide a more reliable measure of fair value.

Identifiable assets acquired and liabilities and contingent liabilities assumed in business combinations are, with limited exceptions, initially measured at their fair values at acquisition date. Goodwill represents the excess of the consideration transferred and the amount of the non-controlling interest in the acquiree over fair value of the identifiable net assets acquired. If the consideration and non-controlling interest of the acquiree is less than the fair value of the net identifiable assets acquired, the difference is recognised in profit or loss as a bargain purchase price, but only after a reassessment of the identification and measurement of the net assets acquired.

Acquisition-related costs are expensed when incurred. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Where the Group obtains control of a subsidiary that was previously accounted for as an equity accounted investment in associate or jointly controlled entity, the Group remeasures its previously held equity interest in the acquiree at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

Where the Group obtains control of a subsidiary that was previously accounted for as an available-for-sale investment, any balance on the available-for-sale reserve related to that investment is recognised in profit or loss as if the Group had disposed directly of the previously held interest.

Where settlement of any part of the cash consideration is deferred, the amounts payable in future are discounted to present value at the date of exchange using the entity's incremental borrowing rate as the discount rate.

Contingent Consideration is classified as equity or financial liabilities. Amounts classified as financial liabilities are subsequently remeasured to fair value at the end of each reporting period, with changes in fair value recognised in profit or loss.

Assets and liabilities from business combinations involving entities or businesses under common control are accounted for at the carrying amounts recognised in the Group's controlling shareholder's consolidated financial statements.

KEY JUDGEMENTS AND ESTIMATIONS

Management uses valuation techniques in determining the fair values of the various elements of a business combination. Particularly, the fair value of contingent consideration is dependent on the outcome of many variables that affect future profitability (see Note 15).

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 10: INTERESTS IN OTHER ENTITIES

(A) MATERIAL SUBSIDIARIES

The group's principal subsidiaries at 30 June 2022 are set out below. The subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by Group. The country of incorporation or registration is also their principal place of business. Unless otherwise stated, the principal subsidiaries have 100% ownership of all of their subsidiaries.

Name of Subsidiary	Country of Incorporation	Ownership interest held by the Group		Ownership interest held non-controlling interests	
		2022	2021	2022	2021
AWX Pty Ltd	Australia	100%	100%	-	-
Mobilise Group Pty Ltd	Australia	100%	100%	-	-
Tribe Workforce Solutions Pty Ltd	Australia	100%	100%	-	-
Timberwolf Planting Pty Ltd	Australia	100%	100%	-	-
The Recruitment Company Ltd	New Zealand	100%	100%	-	-
Expect A Star Services Pty Ltd	Australia	100%	100%	-	-
Techforce Personnel Pty Ltd	Australia	79.25%	79.25%	20.75%	20.75%
Edmen Community Staffing Solutions Pty Ltd	Australia	100%	100%	-	-
NNA Homecare Services Pty Ltd	Australia	100%	100%	-	-
Network Nursing Agency Pty Ltd	Australia	100%	100%	-	-
Australian Healthcare Academy Pty Ltd	Australia	100%	100%	-	-
Victorian Nurse Specialists Pty Ltd	Australia	100%	100%	-	-
Carestaff Nursing Services Pty Ltd	Australia	100%	100%	-	-
First Choice Care Pty Ltd	Australia	100%	100%	-	-
PeopleIn Nursing Pty Ltd	Australia	100%	100%	-	-
ECT4Health Pty Ltd	Australia	-	100%	-	-
Project Partners Corporation Pty Ltd	Australia	100%	100%	-	-
Halcyon Knights Pty Ltd	Australia	100%	100%	-	-
Halcyon Knights QLD Pty Ltd	Australia	100%	100%	-	-
Halycon Knights Commercial	Australia	100%	100%	-	-
Halcyon Knights Pte Ltd	Singapore	100%	100%	-	-
Illuminate Search and Consulting Pty Ltd	Australia	100%	100%	-	-
Halcyon Knights eCareer Pty Ltd (formerly eCareer Pty Ltd)	Australia	100%	100%	-	-
Vision Surveys (Qld)	Australia	100%	-	-	-
GMT Canberra Pty Ltd	Australia	100%	-	-	-
Perigon Group Pty Ltd	Australia	100%	-	-	-
Revmax Pty Ltd	Australia	100%	-	-	-
People Solutions Now Pty Ltd	Australia	100%	-	-	-
Agribusiness Pty Ltd	Australia	100%	-	-	-
Meat Workforce Pty Ltd	Australia	100%	-	-	-
Meat Processors Pty Ltd	Australia	100%	-	-	-
Regional Workforce Management Pty Ltd	Australia	100%	-	-	-
Food Industry People Pty Ltd	Australia	100%	-	-	-
FIP Group Holdings Pty Ltd	Australia	100%	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 10: INTERESTS IN OTHER ENTITIES (CONT.)

(B) INTERESTS IN JOINT VENTURE

Set out below are the joint ventures of the group as at 30 June 2022. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Country of Incorporation	Ownership interest held by the group		Nature of relationship	Measurement method	Carrying amount	
		2022	2021			2022	2021
		%	%			$	$
Partners On Country Pty Ltd	Australia	50	50	Joint Venture	Equity method	50,650	(6,009)
						50,650	**(6,009)**

Partners On Country Pty Ltd is the joint venture company which provides labour hire services to third parties. The company holds a Supply Nation Registration enabling contracts with Indigenous businesses to be sought and supplied.

Reconciliation of carrying value for joint venture

	2022	2021
	$	$
Reconciliation of carrying amounts		
Opening balance 1 July	(6,009)	-
Initial investment in entity – cash	-	50
Share of operating profits	195,817	(6,059)
Dividends received	(139,158)	-
Closing balance 30 June	**50,650**	**(6,009)**

Key judgements

Through the shareholder agreement, PeopleIn Limited is guaranteed one seat on the board of Partners On Country and participates in all significant financial and operating decisions. The group has therefore determined that it has significant influence over this entity. However, it has been determined that control does not exist as the shareholder agreement sets out guidelines on decision making which stipulates that all shareholders have a board representation and the board has equal representation and responsible for the operations and financial decision making.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 10: INTERESTS IN OTHER ENTITIES (CONT.)

(C) NON-CONTROLLING INTERESTS (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

	Techforce Group	
	2022	2021
	$	$
Summarised Statement of financial position		
ASSETS		
Current assets	22,811,980	22,402,527
Non-current assets	1,723,431	1,889,220
Total assets	24,535,411	24,291,747
LIABILITIES		
Current liabilities	19,234,801	21,305,110
Non-current liabilities	883,454	618,013
Total liabilities	20,118,255	21,923,123
Net assets	**4,417,156**	**2,368,624**
Accumulated NCI	2,594,386	2,368,997
Summarised Statement of Comprehensive Income		
Revenue	107,908,134	9,814,721
Profit for the period	3,495,851	323,702
Other comprehensive income	-	-
Total comprehensive income	**3,495,851**	**323,702**
Profit allocated to NCI	725,389	67,168
Dividends paid to NCI	500,000	-
Summarised Cash Flows		
Cash flows from operating activities	(809,741)	
Cash flows from investing activities	(66,085)	
Cash flows from financing activities	223,978	
Net increase/decrease in cash and cash equivalents	(651,848)	

Note that no cashflows were disclosed for year ended 30 June 2021 given the acquisition took place on 3 June 2021 and therefore, cashflows were not relevant for understanding group cashflows.

On 3 June 2021, the group acquired 79.25% of the issued shares of Techforce Personnel Pty Ltd. The non-controlling interest holder is an employee of Techforce Personnel Pty Ltd and receives remuneration as compensation for services provided. No other transactions have occurred with non-controlling interests.

Key judgements

Through the shareholder agreement, PeopleIn Limited has two seats on the board and the non-controlling interest has one seat. All significant decisions are to be of unanimous agreement. The Techforce board has approved a delegation of authority and the PeopleIn Limited board has provided details of the reporting and what significant financial and operating decisions must be escalated. The group has therefore determined that it has control over this entity.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 11: TRADE AND OTHER RECEIVABLES

	2022	2021
Current	**$**	**$**
Trade receivables	93,215,592	68,994,524
Allowance for impairment of receivables	(991,552)	(307,614)
	92,224,040	68,686,910
Contract assets	14,914,404	5,965,278
Other debtors	386,046	1,326,236
	107,524,490	**75,978,424**
Non-Current		
Other receivables	211,919	17,210
	211,919	**17,210**

Refer to Note 21 for disclosures surrounding credit risk.

RECOGNITION AND MEASUREMENT

The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

Debt instruments at amortised cost are financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's Trade and other receivables.

CONTRACT ASSETS

Refer to Note 2 for details on the recognition of revenue relating to project managed services. At the end of the reporting period a contract asset exists which relates to the services rendered which exceeds payments received.

IMPAIRMENT

AASB 9 requires the Group to record an allowance for expected credit losses (ECL's) for all loans and other debt financial assets not held at FVPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. For Contract assets and Trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Refer to Note 21(b) for details on the expected loss rate percentage and ageing of receivables.

KEY JUDGEMENTS AND ESTIMATES

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 11: TRADE AND OTHER RECEIVABLES (CONT.)

MOVEMENT IN PROVISION FOR IMPAIRMENT

	2022 $	2021 $
Opening balance	(307,614)	(700,555)
Balance at acquisition	(73,458)	(171,793)
(Increase) decrease in provision	(2,390,413)	111,960
Amounts written off	1,779,933	452,774
Closing balance	**(991,552)**	**(307,614)**

There was an increase in the impairment of receivables being an expense of $2,390,413 (2021: write back of $111,960). This reflects both an increase in the provision for expected credit loss and also includes a write off relating to one significant debtor who went into voluntary administration during the second half of the financial year.

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	2022 $	2021 $
Property improvements		
At cost	1,973,092	1,044,233
Accumulated depreciation	(1,130,494)	(376,122)
	842,598	**668,111**
Vehicles		
At cost	1,719,602	1,049,677
Accumulated depreciation	(974,273)	(746,417)
	745,329	**303,260**
Plant and equipment		
At cost	1,493,785	187,496
Accumulated depreciation	(677,462)	(140,125)
	816,323	**47,371**
Office furniture and equipment		
At cost	4,688,901	2,986,996
Accumulated depreciation	(3,312,558)	(2,086,311)
	1,376,343	**900,685**
Right-of-use asset - equipment		
At cost	1,634,752	1,138,653
Accumulated depreciation	(1,036,207)	(674,552)
	598,545	**464,101**
Right-of-use asset – property		
At cost	18,377,025	11,498,935
Accumulated depreciation	(6,940,054)	(4,821,387)
	11,436,971	**6,677,548**
Total property, plant and equipment	**15,816,109**	**9,061,076**

RIGHT-OF-USE ASSETS

The Group has determined that it has two classes of right-to-use assets those relating to equipment and those relating to property. Refer to Note 24 for further details on leases.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 12: PROPERTY, PLANT AND EQUIPMENT (CONT.)

RECOGNITION AND MEASUREMENT

Property, plant and equipment are measured on the cost basis less depreciation and impairment losses. The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate portion of fixed and variable costs.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

MOVEMENTS IN CARRYING AMOUNT

2022	Property improvement	Vehicles	Plant and equipment	Office equipment	Right of use asset — equipment	Right of use asset — property	Total
	$	$	$	$	$	$	$
Balance at the beginning of the year	668,111	303,260	47,371	900,685	464,101	6,677,548	9,061,076
Lease reassessments	-	-	-	-	-	134,171	134,171
Foreign exchange movements	(67)	(262)	-	427	-	22,453	22,551
Additions – through business combinations	67,313	170,469	93,530	305,603	870,318	4,891,950	6,399,183
Additions – through ordinary course	352,047	468,494	857,259	747,240	-	2,637,434	5,062,474
Disposals	(66,339)	(48,976)	(6,078)	(98,351)	(8,718)	-	(228,462)
Depreciation expense	(178,467)	(147,656)	(175,759)	(479,261)	(727,156)	(2,926,585)	(4,634,884)
Carrying amount at the end of the year	**842,598**	**745,329**	**816,323**	**1,376,343**	**598,545**	**11,436,971**	**15,816,109**

2021	Property improvement	Vehicles	Plant and equipment	Office equipment	Right of use asset -equipment	Right of use asset - property	Total
	$	$	$	$	$	$	$
Balance at the beginning of the year	576,496	222,419	37,290	1,012,837	736,852	3,647,259	6,233,153
Transfers between classes	-	-	-	(126,183)	-	-	(126,183)
Lease reassessments	-	-	-	-	-	237,514	237,514
Foreign exchange movements	(11)	44	-	(1,567)	-	(28,373)	(29,907)
Additions – through business combinations	75,626	25,450	-	138,004	-	1,954,822	2,193,902
Additions – through ordinary course	234,014	170,294	30,091	374,593	44,690	2,713,670	3,567,352
Disposals	(142,093)	(24,160)	-	(163,468)	(83,257)	-	(412,978)
Depreciation expense	(75,921)	(90,787)	(20,010)	(333,531)	(234,184)	(1,847,344)	(2,601,777)
Carrying amount at the end of the year	**668,111**	**303,260**	**47,371**	**900,685**	**464,101**	**6,677,548**	**9,061,076**

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 12: PROPERTY, PLANT AND EQUIPMENT (CONT.)

DEPRECIATION

The depreciable amount of all fixed assets is depreciated on either a straight-line or diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leased assets and leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the assets.

The depreciation rates used for each class of depreciable assets are:

Property improvements	5 – 40 years
Vehicles	5 – 8 years
Plant and equipment	5 – 20 years
Office furniture and fittings	3 – 17 years
Right of use asset - equipment	5 – 8 years
Right of use asset - property	1 – 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in profit or loss.

IMPAIRMENT

At the end of each reporting period the Group assesses whether there is any indication that property, plant and equipment assets are impaired. Where impairment indicators exist, recoverable amount is determined, and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate recoverable amount for an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

KEY JUDGEMENTS

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Group. Actual results may vary from time to time as a result of this being an estimate of useful life. As at reporting date, no changes were required to be made to the useful lives as they continue to remain appropriate.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 13: INTANGIBLE ASSETS

	2022 $	2021 $
Goodwill – at cost	**143,700,128**	**89,355,381**
Brand names – at cost	**21,865,677**	**9,414,982**
Customer relationships		
Cost	45,736,907	23,407,306
Accumulated amortisation	(14,460,153)	(9,260,839)
	31,276,754	**14,146,467**
Candidate database		
Cost	5,788,863	5,516,946
Accumulated depreciation	(3,301,230)	(2,432,170)
	2,487,633	**3,084,776**
Mobile application software		
Cost	458,359	458,359
Accumulated amortisation	(421,421)	(329,101)
	36,938	**129,258**
Website		
Cost	183,246	169,706
Accumulated amortisation	(150,178)	(137,007)
	33,068	**32,699**
Software		
Cost	4,340,415	2,247,049
Accumulated amortisation	(1,746,205)	(1,486,393)
	2,594,210	**760,656**
Patents and trademarks		
Cost	45,076	32,156
Accumulated amortisation	(19,212)	(8,541)
	25,864	**23,615**
Total intangible assets	**202,020,272**	**116,947,834**

GOODWILL

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

BRAND NAMES

Brand names are measured initially at their cost of acquisition. Brand names are an indefinite useful life intangible asset as there is no expiry date associated with the underlying assets in terms of its generation of future economic benefits to the Group and are therefore tested for impairment annually. The carrying amount of brand names is supported by a value in use calculation of the cash-generating unit to which the asset belongs.

MOVEMENTS IN CARRYING AMOUNT

2022	Goodwill	Brand names	Customer relationships	Candidate database	Mobile application software	Website	Software	Patents and trademarks	Total
	$	$	$	$	$	$	$	$	$
Balance at 1 July 2021	89,355,381	9,414,982	14,146,467	3,084,776	129,258	32,699	760,656	23,615	116,947,834
Adjustments to business combinations	947,419	-	-	-	-	-	-	-	947,419
Restated Balance at 1 July 2021	90,302,800	9,414,982	14,146,467	3,084,776	129,258	32,699	760,656	23,615	117,895,253
Additions through business combinations (Refer Note 9)	53,547,328	12,450,695	22,329,601	271,917	-	-	77,100	-	88,676,641
Foreign exchange movements	-	-	-	-	-	-	(124)	-	(124)
Additions	-	-	-	-	-	13,542	2,037,687	12,920	2,064,149
Disposals	(150,000)	-	-	-	-	-	-	-	(150,000)
Amortisation expense	-	-	(5,199,314)	(869,060)	(92,320)	(13,173)	(281,109)	(10,671)	(6,465,647)
Balance at 30 June 2022	**143,700,128**	**21,865,677**	**31,276,754**	**2,487,633**	**36,938**	**33,068**	**2,594,210**	**25,864**	**202,020,272**

2021	Goodwill	Brand names	Customer relationships	Candidate database	Mobile application software	Website	Software	Patents and trademarks	Total
	$	$	$	$	$	$	$	$	$
Balance at 1 July 2020	72,977,230	4,636,869	8,447,839	616,302	221,308	36,308	499,975	22,885	87,458,716
Additions through business combinations (Refer Note 9)	16,378,151	4,778,113	8,872,107	2,977,420	-	-	1,574	-	33,007,365
Transfer from plant and equipment	-	-	-	-	-	-	126,183	-	126,183
Foreign exchange movements	-	-	-	-	-	-	(54)	-	(54)
Additions	-	-	-	-	-	7,333	485,672	900	493,905
Disposals	-	-	-	-	-	-	(6,551)	-	(6,551)
Amortisation expense	-	-	(3,173,479)	(508,946)	(92,050)	(10,942)	(346,143)	(170)	(4,131,730)
Balance at 30 June 2021	**89,355,381**	**9,414,982**	**14,146,467**	**3,084,776**	**129,258**	**32,699**	**760,656**	**23,615**	**116,947,834**

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 13: INTANGIBLE ASSETS (CONT.)

IMPAIRMENT TESTS FOR GOODWILL AND BRAND NAMES

The Group tests whether goodwill and brand names have suffered any impairment on an annual basis. Intangible assets with indefinite useful lives are monitored by management based on three CGU's. The three CGU's which have been identified are industrial and specialist services, information technology and health and community care.

The following table sets out the goodwill allocation and key assumptions used in performing the value-in-use calculations:

2022	Industrial and Specialist Services	Professional Services[1]	Health and Community Care	Total
Goodwill	46,127,282	51,576,620	45,996,226	143,700,128
Brand names	16,430,774	3,306,116	2,128,787	21,865,677
Sales volume (% annual growth rate)	2.75%	2.75%	2.75%	
Budgeted earnings before interest and tax	1.92%	9.70%	6.47%	
Long term growth rate	2.75%	2.75%	2.75%	
Pre-tax discount rate	15.12%	15.12%	15.12%	

[1] With the acquisition of Perigon Group on 28 February 2022, the Group expanded the Information Technology vertical under the broader CGU of 'Professional Services'.

2021	Industrial and Specialist Services	Information Technology	Health and Community Care	Total
Goodwill	15,770,735	27,438,420	46,146,226	89,355,381
Brand names	5,386,074	1,900,121	2,128,787	9,414,982
Sales volume (% annual growth rate)	2.75%	2.75%	2.75%	
Budgeted earnings before interest and tax [2]	3.29%	9.95%	9.28%	
Long term growth rate	2.75%	2.75%	2.75%	
Pre-tax discount rate	15.23%	15.23%	15.23%	

Management has determined the values assigned to each of the above key assumptions as follows:

Sales volume (% annual growth rate)	Industry average and CPI
Budgeted earnings before interest and tax	Growth rates from the current year and budgeted growth rates.
Long term growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the budgeted period. The rates are consistent with forecasts included in industry reports.
Pre-tax discount rate	Based on the weighted average costs of capital.

[2] Includes the Impact of JobKeeper.

SENSITIVITY ANALYSIS

A 1% decrease in the long term growth rate to 1.75%, used in the value-in-use calculations does not result in an impairment across any of the cash generating units. Similarly a 1% increase in the pre-tax discount rate to 16.12% does not result in an impairment across any of the cash generating units.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 13: INTANGIBLE ASSETS (CONT.)

SIGNIFICANT ESTIMATE: KEY ASSUMPTIONS USED FOR VALUE-IN-USE CALCULATIONS

The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cashflow projections based on financial budgets approved by management covering a one-year period.

Cashflows beyond the one-year period are extrapolated using the estimated growth rates stated above. These growth rates are consistent with forecasts included in industry reports specific to the industry in which the CGU operates.

KEY JUDGEMENT: CASH GENERATING UNITS (CGU)

Since the acquisition of the founding two business (AWX and Edmen), there has been significant restructuring of the Group. This included moving business units from Edmen to AWX and streamlining corporate overheads and staffing to the PeopleIn Limited level rather than at subsidiary level. Despite the additional acquisitions and the establishment of a corporate services division, management have determined that the three CGU's identified in the prior year are still relevant for the current year. Accordingly, impairment assessments have been done for each of those CGU's. These CGU's have been identified as the smallest identifiable Group of assets that generate cash inflows which are independent of other Groups of assets.

In the current year there has been no reallocations of Goodwill between CGU's.

OTHER 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 acquisition. Intangible assets acquired separately are initially recognised at cost. Intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from derecognition of an intangible asset is measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangibles are reviewed annually. Changes in expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Customer relationships and candidate database are amortised straight line over their expected future lives. The estimated useful lives of customer relationships and candidate database are 5 years.

Mobile Application Software has been classified as an intangible asset with a finite life. It is amortised on a straight-line basis over the expected useful life of the software. The life is 4-5 years.

IMPAIRMENT OF ASSETS – WITH FINITE LIVES

Customer relationships, candidate database, mobile application software and website assets all have a finite life.

At the end of each reporting period the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 14: TRADE AND OTHER PAYABLES

	2022 $	2021 $
Current		
Trade payables	28,467,747	22,141,185
Accrued expenses	12,574,122	4,331,975
GST payable	8,223,671	5,348,985
Other payables	1,685,932	1,914,158
	50,951,472	**33,736,303**

RECOGNITION AND MEASUREMENT

Trade and other payables represent liabilities for goods and services provided to the Group prior to the year end and which are unpaid. These amounts are unsecured and have 7 to 30-day payment terms. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. No assets of the Group have been pledged as security for the trade and other payables.

NOTE 15: CONTINGENT CONSIDERATION

	2022 $	2021 $
Current		
Contingent consideration	13,015,804	6,877,665
	13,015,804	**6,877,665**
Non-current		
Contingent consideration	17,047,253	1,952,837
	17,047,253	**1,952,837**
Total contingent consideration	**30,063,057**	**8,830,502**

During the business combination of the Halcyon Group, Techforce Personnel Pty Ltd, GMT Group Pty Ltd, Vision Surveys Pty Ltd, Perigon Group Pty Ltd, FIP Group Holdings Pty Ltd AASB 3 Business Combination required the recognition of contingent consideration. The contingent consideration relates to amounts payable under the purchase contracts should certain conditions be met.

A fair value loss of $3,545,556 (2021: loss $944,861) was reflected in the profit and loss for the year ended 30 June 2022 in relation to reassessment of the likelihood of achieving targets and share price movements.

HALCYON KNIGHTS GROUP

The conditions surround the EBITDA or profit of the Halcyon Knights Group for the 3 years post acquisition with the current year outstanding.

During the reporting period the second payment relating to the Halcyon Group acquisition was settled via a share issue. The remaining contingent consideration relating to the Halcyon Group will also be settled by a share issue in one further tranche. It has been classified as a financial liability as there is a variable number of shares to be issued on settlement. The final payment is due subsequent to the audited financial results of 30 June 2022 and therefore has been classified as current.

TECHFORCE PERSONNEL PTY LTD

For the Techforce Personnel Pty Ltd acquisition it relates to a holdback item that is dependent on the outcome of a specific item under the contract and will be resolved in the next twelve months.

All of the Techforce Personnel Pty Ltd contingent consideration has been classified as current given it is to be settled in cash within the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 15: CONTINGENT CONSIDERATION (CONT.)

VISION SURVEYS QLD

For Vision Surveys QLD, the conditions surround the EBITDA of the Company for the 3 years post acquisition with the current year and following two years outstanding.

The first payment relating to the Vision Surveys acquisition is due subsequent to the audited financial results of 30 June 2022 and will be settled through a combination of cash and a share issue. As such, this has been classified as current. The remaining payments will be settled in the following years and as such have been classified as non-current.

GMT GROUP

For GMT Group, the conditions surround the Gross Margin of the Company for the current year. All of the GMT contingent consideration has been classified as current given it is to be settled in cash within the next 12 months.

PERIGON GROUP

For Perigon, the conditions surround the EBITDA of the Company for the 2022 and 2023 calendar years with both years currently outstanding. For FIP Group, the conditions surround the EBITDA of the Company for the 2023 and 2024 financial years with both years currently outstanding.

The first payment relating to the Perigon Group acquisition is due subsequent to the reviewed financial results of 31 December 2022 and will be settled with cash. As such, this has been classified as current. The remaining payment will be settled with cash in the following year and as such has been classified as non-current.

FOOD INDUSTRIES GROUP

The two payments relating to the FIP Group acquisition are due subsequent to the audited financial results of 30 June 2023 and 30 June 2024 and will be settled with cash. As such, these have been classified as non-current.

NOTE 16: FINANCIAL LIABILITIES

	2022 $	2021 $
Current		
Credit cards	140,857	77,611
Working capital facility	25,503,847	10,510,296
Commercial bills	6,999,996	4,941,316
Lease liabilities	4,850,639	2,801,509
Total current borrowings	**37,495,339**	**18,330,732**
Non-current		
Commercial bills	65,722,502	23,442,058
Lease liabilities	8,322,837	5,197,939
Total non-current borrowings	**74,045,339**	**28,639,997**
Total borrowings	**111,540,678**	**46,970,729**

LEASE LIABILITIES

Lease liabilities have been recognised with regards to right-to-use assets relating to property and equipment. Refer to note 31 for further details on the recognition and measurement.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 16: FINANCIAL LIABILITIES (CONT.)

RECOGNITION AND MEASUREMENT

Borrowings are initially recognised at fair value, net of directly attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

A borrowing is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing borrowing is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

FACILITIES

2022	**Available facility**	**Facility used**	**Remaining Facility**
Credit cards	610,000	140,857	469,143
Working capital facility	39,000,000	25,503,847	13,496,153
Commercial bills	72,722,498	72,722,498	-
	112,332,498	**98,367,202**	**13,965,296**

2021	**Available facility**	**Facility used**	**Remaining Facility**
Credit cards	473,500	77,611	395,889
Working capital facility	30,000,000	10,510,296	19,489,704
Commercial bills	28,383,374	28,383,374	-
	58,856,874	**38,971,281**	**19,885,593**

SECURITY

St George Bank provided the above facilities and as a result has first registered general security over the assets and undertaking of the Group.

COVENANTS

The following covenants have been imposed by St George Bank:

- Interest Cover Ratio – not less than 3.0 times;
- Financial Debt/EBITDA Ratio – less than 3x from 30 June 2022.
- Dividend cap no greater than 70% of NPATA unless bank consent is provided.

These covenants were not breached during the reporting period.

NOTE 17: EMPLOYEE BENEFITS

	2022	**2021**
	$	**$**
Current		
Annual leave	15,258,747	3,667,290
Long services leave	1,414,725	866,552
	16,673,472	**4,533,842**
Non-current		
Long service leave	915,123	646,075
	915,123	**646,075**

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 17: EMPLOYEE BENEFITS (CONT.)

RECOGNITION AND MEASUREMENT

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the re-measurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

KEY JUDGEMENTS AND ESTIMATIONS – LEAVE ENTITLEMENTS

Management judgement is applied in determining the key assumptions use in the calculation of the liability for leave provisions at reporting date. These are future increases in salaries and wages, future on-cost rates, experience of employee departures and period of service and discount rates.

NOTE 18: SHARE CAPITAL

	2022 $	2021 $
98,755,023 (2021: 92,644,020) fully paid ordinary shares	101,534,297	83,131,730

Ordinary shares participate in dividends and the proceeds on winding up of PeopleIn Limited in proportion to the number of shares held. At shareholders meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Ordinary shares have no par value and PeopleIn Limited does not have a limited amount of authorised capital.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 18: SHARE CAPITAL (CONT.)

ORDINARY SHARES

	2022 Number	2021 Number	2022 $	2021 $
At the beginning of the period	92,644,020	89,646,996	83,131,731	78,230,119
Dividends reinvested [1]	457,494	390,929	1,746,198	1,187,003
Issue of shares on vesting of options and performance rights [2]	1,146,307	1,483,010	340,000	640,000
Contingent consideration equity settled[3]	1,449,098	1,065,890	6,071,720	2,824,609
Equity settled acquisition[4]	3,058,104	57,195	10,244,648	250,000
At reporting date	**98,755,023**	**92,644,020**	**101,534,297**	**83,131,731**

[1] Dividends reinvested 30 September 2021 and 8 April 2022 (2021: 6 October 2020 and 31 March 2021).

[2] Issue of shares on vesting of options 31 August 2021, 14,18 October 2021, 23, 26 November 2021, 31 January 2022, 3, 16, 31 May 2022 (2021: 21 September 2020, 14 October 2020, 6, 17 and 26 November 2020, 31 March 2021, 15 May 2021 and 31 May 2021).

[3] Issue of ordinary shares 27 August 2021 in settlement of contingent consideration for Techforce and issue of ordinary shares 31 August 2021 in settlement of the contingent consideration for Halcyon Knights.

[4] Issue of ordinary shares 7 June 2022 (2021: 26 August 2021 and 2 June 2021).

OPTIONS AND PERFORMANCE RIGHTS

Information relating to the PeopleIN employee options plan and share scheme, including details of options and performance rights issued, exercised and lapsed during the financial year and options and performance rights outstanding at the end of the report period, is set out in note 19.

CAPITAL MANAGEMENT

The capital of the Group is managed to provide capital growth to shareholders and ensure the Group can fund its operations and continue as a going concern.

The Group's capital comprises equity as shown in the Consolidated Statement of Financial Position. There are no externally imposed capital requirements.

Management manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and the market. These responses include the management of share issues and debt.

There have been no changes in the strategy adopted by management to control the capital of the Group during the reporting period.

RECOGNITION AND MEASUREMENT

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit.

DIVIDEND REINVESTMENT PLAN

The Company has established a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. Shares are issued under the plan at a 3% discount to the market price.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 18: SHARE CAPITAL (CONT.)

DIVIDENDS

	2022 $	2021 $
Dividends provided for or paid during the year		
Final fully franked dividend relating to 30 June 2021 of 6.0 cents per share (2020: 4.5 cents) paid on 1 October 2021	5,653,198	4,082,086
Interim fully franked dividend relating to 31 December 2021 of 6.5 cents per share (2021: 4.5 cents) paid on 29 March 2022	6,204,239	4,155,624
	11,857,437	8,237,710
Dividends satisfied by the issue of shares under the dividend reinvestment plan during the year	1,746,198	1.187,002
Dividends not recognised at the end of the reporting period		
Since year end the directors have recommended the payment of a final dividend of 6.5 cents per fully paid ordinary share. The aggregate amount of the proposed dividend expected to be paid on 30 September 2022 out of retained earnings at 30 June 2022, but not recognised as a liability at year end, is:	6,419,076	5,558,641
Franked dividends		
The final dividend recommended after 30 June 2022 will be fully franked out of existing franking credits, or out of franking credits arising from the payment of income tax in the year ending 30 June 2022.		
Franking credits available for subsequent reporting periods based on a tax rate of 30%	25,928,095	21,753,727

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the year.

The consolidated amounts include franking credits that would be available to the parent entity if distributable profits of subsidiaries were paid as dividends.

NOTE 19: SHARE-BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2022.

SHARES

During the year ended 30 June 2022, 1,146,307 (2021: 755,510) shares were issued to directors and employees via the People Infrastructure employee share trust (2021: by the company directly) as a result of performance rights achieving their conditions and being eligible for exercising and 340,000 shares (2021: 640,000) were issued to directors as a result of them exercising their options at $1. The weighted average shares price at the exercise date was $4.16 (2021: $3.56).

Share based payments, since 3 August 2021, are being administered by the People Infrastructure employee share trust. Under the terms of the trust deed, PeopleIn Limited is required to provide the trust with the necessary funding for the acquisition of the shares at the time of the issue of shares. No shares were held by the trust as at 30 June 2022.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 19: SHARE-BASED PAYMENTS (CONT.)

OPTIONS AND PERFORMANCE RIGHTS

The following summarised the options and performance rights granted under the plan.

30 June 2022	Performance Rights No.	Options No.	Weighted average exercise price $
Outstanding at beginning of the period	1,470,959	683,170	0.21
Exercised	(806,307)	(340,000)	-
Forfeited	(213,489)	-	-
Granted	1,569,621	-	-
Outstanding at year-end	2,020,784	343,170	0.17
Exercisable at year-end	-	343,170	0.13
30 June 2021	**No.**	**No.**	**$**
Outstanding at beginning of the period	3,241,579	980,000	0.22
Exercised	(755,510)	(640,000)	-
Forfeited	(1,762,910)	-	-
Granted	747,800	343,170	-
Outstanding at year-end	1,470,959	683,170	0.21
Exercisable at year-end	-	343,170	0.08

No options or performance rights expired during the periods covered by the above tables.

Unissued ordinary shares of PeopleIn Limited under option/performance rights (PR) at the end of the reporting period are:

	Date granted	Expiry date	Exercise price of shares	Number 30 June 2022	Number 30 June 2021
TR Options	14 October 2017	14 October 2021	$1.00	-	340,000
Options (Tranche 4)	11 June 2021	11 July 2026	$4.37	343,170	343,170
Total Options				**343,170**	**683,170**
Performance Rights (Tranche 1)	22 November 2017	22 November 2021	$0.00	-	250,000
Performance Rights (Tranche 2)	22 November 2017	22 November 2021	$0.00	-	185,830
Performance Rights (Tranche 4)	26 November 2018	26 November 2022	$0.00	59,686	119,374
Performance Rights (Tranche 6)	15 May 2019	15 May 2023	$0.00	8,000	16,000
Performance Rights (Tranche 8)	31 May 2019	31 May 2022	$0.00	-	66,184
Performance Rights (Tranche 9)	28 October 2019	26 November 2023	$0.00	33,334	80,000
Performance Rights (Tranche 10)	26 November 2019	26 November 2023	$0.00	31,436	47,154
Performance Rights (Tranche 12)	30 July 2020	30 July 2024	$0.00	63,000	63,000
Performance Rights (Tranche 13)	31 August 2020	31 August 2021	$0.00	-	47,066
Performance Rights (Tranche 14)	31 August 2020	31 August 2021	$0.00	-	63,834
Performance Rights (Tranche 15)	31 January 2021	31 January 2022	$0.00	-	4,386
Performance Rights (Tranche 16)	1 September 2019	1 September 2023	$0.00	5,082	10,163
Performance Rights (Tranche 17, 18 and 20)	31 January 2021	31 January 2022	$0.00	-	13,829
Performance Rights (Tranche 19)	13 January 2021	31 January 2022	$0.00	-	37,651

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 19: SHARE-BASED PAYMENTS (CONT.)

OPTIONS AND PERFORMANCE RIGHTS (CONT.)

	Date granted	Expiry date	Exercise price of shares	Number 30 June 2022	Number 30 June 2021
Performance Rights (Tranche 21, 22 and 23)	30 April 2021	30 April 2022	$0.00	-	123,318
Performance Rights (Tranche 24)	11 June 2021	31 August 2026	$0.00	343,170	343,170
Performance Rights (Tranche 25, 27, 29, 31, 32, 33, 35)	31 August 2021	31 August 2022	$0.00	380,747	-
Performance Rights (Tranche 26, 28)	31 August 2021	31 August 2023	$0.00	207,264	-
Performance Rights (Tranche 30, 34)	31 August 2021	31 August 2024	$0.00	91,410	-
Performance Rights (Tranche 35, 36)	1 November 2021	1 November 2022	$0.00	49,749	-
Performance Rights (Tranche 37)	1 November 2021	1 November 2024	$0.00	200,000	-
Performance Rights (Tranche 38)	1 November 2021	22 November 2023	$0.00	116,721	-
Performance Rights (Tranche 39)	22 November 2021	24 January 2023	$0.00	1,820	-
Performance Rights (Tranche 40)	24 January 2022	24 January 2023	$0.00	5,825	-
Performance Rights (Tranche 41)	24 January 2022	31 August 2024	$0.00	38,834	-
Performance Rights (Tranche 42, 43)	24 January 2022	24 January 2023	$0.00	81,940	-
Performance Rights (Tranche 44, 45)	1 March 2022	1 March 2024	$0.00	146,740	-
Performance Rights (Tranche 46)	1 March 2022	1 March 2025	$0.00	38,071	-
Performance Rights (Tranche 47)	1 March 2022	1 Mar 2023	$0.00	59,644	-
Performance Rights (Tranche 48)	1 April 2022	1 April 2024	$0.00	12,853	-
Performance Rights (Tranche 49, 51)	30 April 2022	30 April 2023	$0.00	34,037	-
Performance Rights (Tranche 50)	30 April 2022	24 January 2023	$0.00	11,421	-
Total Performance Rights				**2,020,784**	**1,470,989**
Total under option and performance rights				**2,363,954**	**2,154,129**

The weighted average remaining contractual life of options and performance rights outstanding at the end of the reporting period is 4.0 years for options and 1.7 years for performance rights (2021: 2.7 years for options and 2.0 years for performance rights).

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 19: SHARE-BASED PAYMENTS (CONT.)

TERMS AND CONDITIONS OF OPTIONS AND PERFORMANCE RIGHTS

Options – Tranche 4

This options were granted during the 2021 financial year as part of an acquisition. They are exercisable by the relevant holder from grant date until the earlier of:

(a) the date that is 61 calendar months (5 years and 1 month) after the grant date; and

(b) the date that the holder ceases to be an employee of the group, unless the eligible participant is a good leaver.

The exercise of these options is not subject to any vesting conditions.

Performance Rights – Tranche 1 to 10, 12, 16

These Performance Rights vest equally over a three or four year period (each a Vesting Period). 50% of the Performance Rights in any given Vesting Period will vest if CAGR of total shareholder return and earnings per share growth (Growth Metric), over the relevant Vesting Period, is greater than 10% or 15% and a further 50% vest if the Growth Metric, over the relevant Vesting Period is greater than 12% or 15%. Additionally, in order to have their Performance Rights vest, the relevant participant must remain employed by PeopleIn Limited at the time of vesting.

Performance Rights – Tranche 13, 14, 15, 17 – 23, 25-36, 38-43, 47, 49-51

These Performance Rights vest equally over a one or two or three year period (each a Vesting Period). There is performance criteria surrounding achieving target EBITDAs, number of placements and other commission targets, collection of debtors which must be achieved prior to these Performance Rights being granted. In order to have their Performance Rights vest, the relevant participant must remain employed by PeopleIn Limited at the time of vesting. Where these Performance Rights have been issued to a Director or executive, they form part of the individual's remuneration package.

Performance Rights – Tranche 24

These Performance Rights vest equally over a three year period (each a Vesting Period) with the first vesting period expiring on the 31 May 2024. The rights comprise three tranches with three lots within each tranche. The rights vest subject to vesting conditions pertaining to each tranche. The tranches operate independently of each other such that rights can vest in one tranche independently of those in another. The entitlement to rights is cumulative, that is it is possible to receive rights from Tranche One in addition to Tranche Two and/or Three. There are no market vesting conditions attached to these rights. The non-market performance hurdles are summarised in the following table and relate to the results of Techforce Personnel entities:

		Cumulative EBITDA Targets ($)		
		Tranche 1	Tranche 2	Tranche 3
	# per Lot	1 June 2021 to 31 May 2024	1 June 2021 to 31 May 2025	1 June 2021 to 31 May 2026
Lot 1	38,130	25,487,000	35,735,700	47,009,270
Lot 2	38,130	27,953,625	40,196,669	54,276,169
Lot 3	38,130	30,576,000	45,091,200	62,509,440

Additionally, in order to have their Performance Rights vest, the relevant participant must remain employed by PeopleIn Limited at the time of vesting.

Performance Rights – Tranche 37

These performance rights vest over a three year period in two lots of 100,000. Lot 1 has a condition attached that a 10% Total Shareholder Return Compound Annual Growth Rate ("TSR CAGR") must be achieved for the performance rights to vest. Lot 2 has a condition attached that a 15% TSR must be achieved for the performance rights to vest. In order to have their Performance Rights vest, the relevant participant must remain employed by PeopleIn Limited at the time of vesting.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 19: SHARE-BASED PAYMENTS (CONT.)

TERMS AND CONDITIONS OF OPTIONS AND PERFORMANCE RIGHTS (CONT.)

Performance Rights – Tranche 44

These Performance Rights vest equally over a two year period (each a Vesting Period). The following performance conditions are attached to the rights: individual billings of greater than $250,000 and EBITDA of greater than $5,000,000 for the employing company. In order to have their Performance Rights vest, the relevant participant must remain employed by PeopleIn Limited at the time of vesting.

Performance Rights – Tranche 45

These Performance Rights vest over a two year period. The following performance condition is attached to the rights: employing entity maintains an EBITDA of greater than $1,000,000 for the employing company. In order to have their Performance Rights vest, the relevant participant must remain employed by PeopleIn Limited at the time of vesting.

Performance Rights – Tranche 46

These Performance Rights vest equally over a two year period (each a Vesting Period). The following performance condition is attached to the rights: relevant division achieves a Gross Margin of $1,000,000 for year 1 and $1,200,000 for year 2. In order to have their Performance Rights vest, the relevant participant must remain employed by PeopleIn Limited at the time of vesting.

Performance Rights – Tranche 48

These Performance Rights vest over a two year period. The following performance condition is attached to the rights: employing entity maintains an EBITDA of greater than $1,100,000 for the employing company. In order to have their Performance Rights vest, the relevant participant must remain employed by PeopleIn Limited at the time of vesting.

EXPENSES ARISING FROM SHARE BASED PAYMENT TRANSACTIONS

Total expenses arising from share based payment transactions recognised during the period as a part of employee benefit expenses were as follows:

	2022 $	2021 $
Options and performance rights issued under employee share plan	3,329,716	1,137,141

These amounts have been recognised in equity in the Consolidated Statement of Financial Position as follows:

	2022 $	2021 $
Share capital	-	-
Share based payment reserve	5,480,430	2,150,714

FAIR VALUE OF PERFORMANCE RIGHTS GRANTED

The assessed fair value at granted date of performance rights granted during the year ended 30 June 2022 are disclosed on the following page. The fair value at grant date is independently determined using a Monte Carlo simulation model that takes into account the exercise price, the term of the performance right, the impact of dilution (where material), the share price at grant date and expected price volatility of the underling share, the expected dividend yield, the risk-free interest rate for the term of the option and the correlations and volatilities of the peer group companies.

FAIR VALUE OF PERFORMANCE RIGHTS GRANTED (CONT.)

The following principal assumptions were used in the valuation of options and performance rights granted during the year ended 30 June 2022:

	Grant date	Number of options	Vesting period end	Share price at grant date	Volatility	Option life	Dividend yield	Fair value at grant date	Exercise price at grant date	Exercisable from	Exercisable to
Performance Rights - Tranche 25, 27, 29, 31, 31A, 32, 34	31/08/2021	442,347	100% 31/8/2022	$4.00	n/a	1 year	n/a	100% $4.00	$0.00	At end of each vesting period	30 days after the exercise date
Performance Rights - Tranche 26, 28	31/08/2021	207,264	60% 31/08/2022 40% 31/08/2023	$4.00	n/a	2 years	Continuous	100% $4.00	$0.00	At end of each vesting period	30 days after the exercise date
Performance Rights - Tranche 30	31/08/2021	88,106	45% 31/08/2022 30% 31/08/2023 25% 31/08/2023	$4.00	n/a	3 years	Continuous	100% $4.00	$0.00	At end of each vesting period	30 days after the exercise date
Performance Rights - Tranche 33	31/08/2021	25,816	60% 31/08/2022 40% 31/08/2023	$4.00	n/a	2 years	Continuous	100% $4.00	$0.00	At end of each vesting period	30 days after the exercise date
Performance Rights - Tranche 35, 36	01/11/2021	49,752	100% 31/8/2022	$4.50	n/a	1 year	n/a	100% $4.00	$0.00	At end of each vesting period	30 days after the exercise date
Performance Rights - Tranche 37	01/11/2021	200,000	100% 01/11/2024	$4.50	50%	3 years	2.5%	50% $2.31 50% $2.05	$0.00	At end of each vesting period	30 days after the exercise date
Performance Rights - Tranche 38	22/11/2021	116,721	100% 22/11/2023	$4.39	n/a	2 years	Continuous	100% $4.54	$0.00	At end of each vesting period	30 days after the exercise date
Performance Rights - Tranche 39, 40, 42, 43	24/01/2021	98,015	100% 24/01/2023	$3.63	n/a	1 year	n/a	100% $4.12	$0.00	At end of each vesting period	30 days after the exercise date
Performance Rights - Tranche 41	24/01/2021	38,834	100% 31/08/2024	$3.63	n/a	3 years	Continuous	100% $4.12	$0.00	At end of each vesting period	30 days after the exercise date
Performance Rights - Tranche 44	01/03/2022	121,359	50% 01/03/2023 50% 01/03/2024	$4.12	n/a	2 years	Continuous	100% $4.12	$0.00	At end of each vesting period	30 days after the exercise date
Performance Rights - Tranche 45	01/03/2022	25,381	100% 01/03/2024	$4.12	n/a	2 years	Continuous	100% $3.94	$0.00	At end of each vesting period	30 days after the exercise date

FAIR VALUE OF PERFORMANCE RIGHTS GRANTED (CONT.)

	Grant date	Number of options	Vesting period end	Share price at grant date	Volatility	Option life	Dividend yield	Fair value at grant date	Exercise price at grant date	Exercisable from	Exercisable to
Performance Rights - Tranche 46	01/03/2022	38,071	33% 01/03/2023 33% 01/03/2024 33% 01/03/2025	$4.12	n/a	3 years	Continuous	100% $3.94	$0.00	At end of each vesting period	30 days after the exercise date
Performance Rights - Tranche 47	01/03/2022	59,644	100% 01/03/2023	$4.12	n/a	1 year	n/a	100% $3.94	$0.00	At end of each vesting period	30 days after the exercise date
Performance Rights - Tranche 48	01/04/2022	12,853	100% 01/04/2024	$3.97	n/a	2 years	Continuous	100% $3.89	$0.00	At end of each vesting period	30 days after the exercise date
Performance Rights - Tranche 49, 51	30/04/2022	34,037	100% 31/08/2024	$3.79	n/a	1 year	n/a	100% $3.89	$0.00	At end of each vesting period	30 days after the exercise date
Performance Rights - Tranche 50	30/04/2022	11,421	100% 24/01/2023	$3.79	n/a	1 year	n/a	100% $3.94	$0.00	At end of each vesting period	30 days after the exercise date

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 19: SHARE-BASED PAYMENTS (CONT.)

RECOGNITION AND MEASUREMENT

The Group operates equity-settled share-based remuneration plans for its employees. None of the Group's plans feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to share option reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are allocated to share capital.

KEY ESTIMATES – SHARE-BASED PAYMENTS

The Group uses estimates to determine the fair value of equity instruments issued to Directors, executives and employees. The estimates include volatility, risk-free rates and consideration of satisfaction of performance criteria for recipients of equity instruments. Options were issued as outlined above and the cost of these rights represents the valuation and the accounting impact of prior issuances and determinations remains unchanged.

NOTE 20: FINANCIAL ASSETS AND FINANCIAL LIABILITIES

CATEGORIES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	2022 $	2021 $
Financial assets at amortised cost		
Cash and cash equivalents	26,977,326	13,721,681
Trade and other receivables	107,736,410	75,995,634
Total financial assets	**134,713,736**	**89,717,315**
Financial liabilities at amortised cost		
Trade and other payables	50,951,472	33,736,303
Credit cards	140,857	77,611
Working capital facility	25,503,847	10,510,296
Commercial bills	72,722,498	28,383,374
Lease liabilities	13,173,476	7,999,448
	162,492,150	80,707,032
Financial liabilities at fair value through the profit and loss		
Contingent consideration	30,063,057	8,830,502
	30,063,057	8,830,502
Total financial liabilities	**192,555,207**	**89,537,534**

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 20: FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

BORROWINGS AT AMORTISED COST

The current interest rate on the commercial bills is 2.85% - 4.10% (2021: 1.90%) at 30 June 2022. Three new bills were entered into during the current financial year to fund the acquisitions. The bills have a maturity dates ranging from August 2023 through to June 2027. One of these bills is on a monthly rollover with monthly repayments whilst the remainder are on a 3-monthly basis and are reduced with quarterly payments with the exception of a $5,500,000 and $35,000,000 bill which are interest only. These bills are due for repayment in full by August 2023 and June 2027. The other commercial bills are fully repayable within 5 years of the original drawdown date. They are all held with St George Bank. Refer to Note 16 for further details around security provided.

For details on the repayment periods and interest rates for lease liabilities refer to Note 24.

CONTINGENT CONSIDERATION AT FAIR VALUE THROUGH THE PROFIT AND LOSS

Contingent consideration was payable on a number of the acquisitions during the current financial year. These are contingent on the EBITDA or gross profit of the entity or group of entities acquired reaching stipulated amounts. The probability of the relevant entities achieving the maximum EBITDA has been assessed as high and that the earn outs will be payable; the contingent consideration valuations reflect this assessed probability.

The second tranche of the contingent consideration for the acquisition of the Halcyon Knights Group was settled during the year by the issued of shares in PeopleIn Limited for $4,466,079. A fair value loss of $3,455,893 (2021: loss $944,861) was reflected in the profit and loss for the year ended 30 June 2022.

OTHER FINANCIAL INSTRUMENTS

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

- trade and other receivables
- cash and cash equivalents
- trade and other payables
- credit cards
- working capital facility

NOTE 21: FINANCIAL RISK MANAGEMENT

(A) GENERAL OBJECTIVES, POLICIES AND PROCESSES

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements

The Group's financial instruments consist mainly of deposits with banks, trade and other receivables, trade and other payables and borrowings.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Group where such impacts may be material.

The overall objective of the Board is to set polices that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 21: FINANCIAL RISK MANAGEMENT (CONT.)

(B) CREDIT RISK

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Group. The Group's objective is to minimise the risk of loss from credit risk exposure.

The Group's maximum exposure to credit risk at the end of the reporting period, without taking into account the value of any collateral or other security, in the event other parties fail to perform their obligations under financial instruments in relation to each class of recognised financial asset at reporting date, is as follows:

	2022	2021
	$	$
Cash and cash equivalents	26,977,326	13,721,681
Trade and other receivables	107,736,409	75,995,634
	134,713,735	**89,717,315**

Credit risk is reviewed regularly by the Board through the monthly board reporting.

Bank deposits are held with the following parties:

	2022	2021
	$	$
St George Bank	14,893,963	8,457,090
Australian and New Zealand Banking Group Limited	792,007	1,217,749
National Australia Bank Limited	5,480,499	2,979,671
Westpac Banking Corporation	4,626,236	141,662
OCBC Bank Singapore	937,316	679,682
Bank SA	245,813	245,117
Cash on hand	1,492	710
	26,977,326	**13,721,681**

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries and geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are past due but not impaired to be good.

The carrying amount of receivables whose terms have been renegotiated, that would otherwise be past due or impaired is nil.

The Group's trade receivables and contract assets are subject to the expected credit loss model. The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 month before 30 June 2022 and the corresponding historical credit loss experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has not identified any major factors which impact the sales of services and therefore hasn't adjusted the historical loss rates based on expected changes in things like the GDP or unemployment rate.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 21: FINANCIAL RISK MANAGEMENT (CONT.)

(B) CREDIT RISK (CONT.)

On that basis, the loss allowance as at 30 June 2022 was determined as follows for trade receivables:

	Expected loss rate	Gross Carrying Amount	Loss allowance
30 June 2022	%	$	$
Not past due	-	91,567,670	310,802
Not more than 6 months past due	45%	689,106	213,023
More than 6 months but not more than 1 year past due	45%	712,012	257,943
More than 1 year past due	85%	246,804	209,784
		93,215,592	991,552
30 June 2021			
Not past due	-	68,521,107	21,082
Not more than 6 months past due	45%	263,445	76,559
More than 6 months but not more than 1 year past due	45%	209,972	209,973
More than 1 year past due	85%	-	-
		68,994,524	307,614

No provision for loss allowance has been raised on the contract assets as this is generally converted to trade receivables within 1-2 weeks of recognition. Standard customer terms range between 7 to 120 days.

(C) LIQUIDITY RISK

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet financial obligations as they fall due. The object of managing liquidity risk is to ensure, as far as possible, that the Group will always have sufficient liquidity to meets its liabilities when they fall due, under both normal and stressed conditions. Liquidity risk is reviewed regularly by the Board.

The Group manages liquidity risk by monitoring forecast cash flows and liquidity ratios such as working capital. The Group's working capital, being current assets less current liabilities is $26,482,920 at 30 June 2022 (2021: $24,649,805).

Maturity analysis – Financial liabilities

Consolidated	Carrying Amount	Contractual Cash flows	within 1 year	1 – 5 years	5 years +
2022	$	$	$	$	$
Trade and other payables	50,951,472	50,951,472	50,951,472	-	-
Credit cards	140,857	140,857	140,857	-	-
Contingent consideration	30,063,057	30,952,096	15,565,720	15,386,376	-
Working capital facility	25,503,847	25,503,847	25,503,847	-	-
Commercial bills	72,722,498	82,440,628	9,196,544	73,244,084	-
Lease liabilities	13,173,476	14,118,498	4,832,391	7,720,448	1,565,659
2021					
Trade and other payables	33,736,303	33,736,303	33,736,303	-	-
Credit cards	77,611	77,611	77,611	-	-
Contingent consideration	8,830,502	9,594,766	7,213,980	2,380,786	-
Working capital facility	10,510,296	10,510,296	10,510,296	-	-
Commercial bills	28,383,374	30,291,514	6,433,462	23,858,052	-
Lease liabilities	7,999,448	8,958,368	2,758,697	5,611,612	588,059

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 21: FINANCIAL RISK MANAGEMENT (CONT.)

(D) CURRENCY RISK

The Australian dollar (AUD) is the functional currency of the Group and as a result currency exposure arising from the transactions and balances in currencies other than the AUD.

The Group's potential currency exposures comprise:

The Recruitment Company is a subsidiary based in New Zealand. Therefore, this Company's functional currency is New Zealand Dollars (NZD). The results for the Company are converted to AUD for consolidation and reporting purposes. Given the entity is a very small part of the operations of the Group as a whole this exposure is very minor.

The Halcyon Knights Pte Ltd is a subsidiary based in Singapore. Therefore, this Company's functional currency is Singapore Dollars (SGD). The results for the Company are converted to AUD for consolidation and reporting purposes. Given the entity is a very small part of the operations of the Group as a whole this exposure is very minor.

(E) MARKET RISK

Market risk arises from the use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk). The Group does not have any material exposure to market risk other than as set out below.

Interest rate risk

Interest rate risk arises principally from cash and cash equivalents. The objective of interest rate risk management is to manage and control interest rate risk exposures within acceptable parameters while optimising the return.

Interest rate risk is managed with a mixture of fixed and floating rate investments. For further details on interest rate risk refer to the tables below:

Consolidated	Floating interest rate	Fixed interest rate	Non-interest bearing	Total carrying amount	Weighted average effective interest rate
2022	**$**	**$**	**$**	**$**	**%**
Financial assets					
Cash and cash equivalents	26,977,326	-	-	26,977,326	0.02%
Trade and other receivables	-	-	107,736,409	107,736,409	n/a
Total financial assets	**26,977,326**	**-**	**107,736,409**	**134,713,735**	
Financial liabilities					
Trade and other payables	-	-	50,951,472	50,951,472	n/a
Credit cards	-	140,857	-	140,857	Nil
Contingent consideration		-	30,063,057	30,063,057	n/a
Working capital facility	25,503,847	-	-	25,503,847	2.82%
Commercial bills	72,722,498	-	-	72,722,498	2.25%
Lease liabilities	-	13,173,476	-	13,173,476	4.51%
Total financial liabilities	**98,226,345**	**13,314,333**	**81,014,529**	**192,555,207**	

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 21: FINANCIAL RISK MANAGEMENT (CONT.)

(E) MARKET RISK (CONT.)

Consolidated	Floating interest rate	Fixed interest rate	Non-interest bearing	Total carrying amount	Weighted average effective interest rate
2021	**$**	**$**	**$**	**$**	**%**
Financial assets					
Cash and cash equivalents	13,721,681	-	-	13,721,681	0.04%
Trade and other receivables	-	-	75,995,634	75,995,634	n/a
Total financial assets	**13,721,681**	**-**	**75,995,634**	**89,717,315**	
Financial liabilities					
Trade and other payables	-	-	33,736,303	33,736,303	n/a
Credit cards	-	77,611	-	77,611	Nil
Contingent consideration	-	-	8,830,502	8,830,502	n/a
Working capital facility	10,510,296	-	-	10,510,296	1.25%
Commercial bills	28,383,374	-	-	28,383,374	2.32%
Lease liabilities	-	7,999,448	-	7,999,448	5.73%
Total financial liabilities	**38,893,670**	**8,077,059**	**42,566,805**	**89,537,534**	

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk. This sensitivity demonstrates the effect on the current year results and equity which could result from a change in these risks. A 1% change in the interest rate would impact the profit or loss by $712,490 (2021: $146,617).

(F) FOREIGN EXCHANGE RISK

Foreign exchange risk (FX risk) arises principally from cash and cash equivalents. The objective of FX risk management is to manage and control FX risk exposures within acceptable parameters while optimising the return. The Group has cash and cash equivalents in NZD and SGD. The balance at the 30 June 2022 was NZD 857,029 (2021: NZD 947,801) and SGD 898,324 (2021: SGD 687,090). Due to the small amount of exposure the impact on profit has not been disclosed.

NOTE 22: FAIR VALUE MEASUREMENT

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The Group has adopted the amendment to AASB 7 Financial Instruments: Disclosures which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The carrying value of a significant portion of all financial assets and financial liabilities approximate their fair values due to their short-term nature and for borrowings with longer terms as a result of them having floating interest rates.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 22: FAIR VALUE MEASUREMENT (CONT.)

Financial Liabilities at fair value through the profit and loss

2022	**Level 1**	**Level 2**	**Level 3**
Contingent consideration	-	-	30,063,057
Total Financial Liabilities	**-**	**-**	**30,063,057**

Financial Liabilities at fair value through the profit and loss

2021	**Level 1**	**Level 2**	**Level 3**
Contingent consideration	-	-	8,830,502
Total Financial Liabilities	**-**	**-**	**8,830,502**

There were no transfers between the levels of fair value hierarchy during the year ended 30 June 2022. There were no other financial assets or liabilities valued at fair value at 30 June 2022 and 2021.

The following table summarised the quantitate information about the significant unobservable inputs used in level 3 fair value measurements of contingent consideration.

30 June 2022

Unobservable Inputs	**Range of Inputs**	**Relationship of unobservable inputs to fair value**
EBITDA achieved	Nil to $3,000,000	If expected EBITDA was to increase by $3,000,000 then the fair value would increase by $21,774,232.
Gross margin achieved	Nil to $2,000,000	If expected Gross Margin was the maximum achievable then the fair value would increase by $160,269.
Risk-adjusted discount rate	2.05%	A change in the discount rate by 100 bps would increase/decrease the fair value by $329,485.

30 June 2021

Unobservable Inputs	**Range of Inputs**	**Relationship of unobservable inputs to fair value**
EBITDA achieved	Nil to $3,000,000	If expected EBITDA was the maximum achievable then the fair value would increase by $102,781.
Risk-adjusted discount rate	2.05%	A change in the discount rate by 100 bps would increase/decrease the fair value by $27,559.

Reconciliation of Level 3 fair value movements	**Contingent Consideration**
Opening balance at 1 July 2020	5,950,899
Recognition on acquisition / funding	4,759,351
Repayments	(2,824,609)
Gains and losses recognised in profit or loss	944,861
Closing balance at 30 June 2021	8,830,502
Recognition on acquisition / funding	26,868,384
Repayments	(9,181,385)
Gains and losses recognised in profit or loss	3,545,556
Closing balance at 30 June 2022	30,063,057

CONTINGENT CONSIDERATION

The fair value of contingent consideration related to the acquisition of the Halcyon Knights Group, Techforce Personnel Pty Ltd, GMT Group Pty Ltd, Perigon Group Pty Ltd and FIP Group Holdings Pty Ltd is estimated using a present value technique. The value is estimated by probability-weighting the estimated future cash outflows, adjusting for risk and discounting. During the year the expected contingent consideration was adjusted based on agreed targets and expected share price at the date of payment.

During the year the second tranche of the contingent consideration for the Halcyon Knights Group was settled.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 23: EVENTS ARISING SINCE THE END OF THE REPORTING PERIOD

Vu Tran joined the Board effective 1 July 2022.

On 18 July 2022, a working capital facility for Food Industries People (FIP) was approved for $10,000,000.

A fully franked dividend of 6.5 cents per share was declared on 26 August 2022.

On the 1 August 2022, 21,000 performance rights vested as a result of the conditions being satisfied and were converted to issued shares.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

NOTE 24: LEASES

(A) REAL ESTATE LEASES

The Group leases land and buildings for its office space. The leases of office space typically run for a period of 2 - 10 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases provide for additional rent payments that are based on changes in consumer price index. Some also require the Group to make payments that relate to the property costs (outgoings); these amounts are generally determined annually.

Some leases of office buildings contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new lease to provide operational flexibility. The Group assesses at lease commencement whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control. There has been no significant extensions excluded from the lease liabilities.

(B) EQUIPMENT LEASES

The Group leases vehicles and equipment, with lease terms of three to five years. In some cases, the Group has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the leased assets at the end of the contract term.

The Group monitors the use of these vehicles and equipment and reassesses the estimated amount payable under the residual value guarantees at the reporting date to remeasure lease liabilities and right-of-use assets. As at 30 June 2022, the Group has nil amount payable under the residual guarantees.

(C) SHORT-TERM AND LOW VALUE ASSET LEASES

The amount of lease commitments for short-term and low value assets not recognised on statement of financial position:

	2022 $	2021 $
Low value assets payable:		
• not later than 12 months	59,608	69,179
• between 12 months and 5 years	89,573	153,442
	149,181	222,621
Short term property leases payable:		
• not later than 12 months	3,426,793	-
• between 12 months and 5 years	-	-
	3,426,793	-

Short term property leases have terms of less than 12 months. These on a whole relate to temporary accommodation for the FIP Group for visa workers under the Pacific Australia Labour Mobility (PALM) scheme.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 24: LEASES (CONT.)

RECOGNITION AND MEASUREMENT

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of the identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life to the right-of-use or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably curtained to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 24: LEASES (CONT.)

RECOGNITION AND MEASUREMENT (CONT.)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the righto-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'financial liabilities' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognised right-of-use assets and lease liabilities for short-term leases of equipment or property that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

KEY JUDGEMENTS AND ESTIMATIONS

In determining both the right of use asset and the lease liability certain estimates and judgements were made. These included the following:

- Where options to extend existed each lease was assessed individually, and the likelihood of extension was applied. If it was considered that the lease would be terminated, then it was treated as such otherwise the option period was taken into account.
- There were no residual guarantees contained in any of the lease agreements.
- Increments to lease payments were fixed amounts and these fixed payments and increments were taken into account in the measurement of the right of use asset and lease liability.
- No impairments were identified as each of the right of use assets were allocated to a CGU and these are impairment assessed based on value in use. No impairments to these CGU's have been identified.
- The Group determined that the appropriate discount rate to calculate the right of use assets and liabilities was the Group's current incremental borrowing rate.

NOTE 25: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Group has no contingent assets and no contingent liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 26: AUDITOR'S REMUNERATION

	2022 $	2021 $
Audit services		
Amounts paid/payable to BDO for audit or review of the financial statements for the entity or any entity in the Group:		
Current year	286,000	230,800
Non-audit services		
Amounts paid/payable to BDO or related entities of BDO for non-audit services performed for the entity or any entity in the Group as follows:		
Taxation services	77,988	118,160
Corporate services	20,295	40,398
Total BDO Audit Pty Ltd and related entities	384,283	**389,358**
BDO Network Firms		
Overseas subsidiary taxation compliance services	2,975	12,741
Overseas subsidiary audit compliance services	15,199	17,953
	18,174	30,694
	402,457	**420,052**

NOTE 27: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

PARENT ENTITY

The parent entity is PeopleIn Limited, which is incorporated in Australia.

SUBSIDIARIES AND ASSOCIATES

Interests in subsidiaries and associates are disclosed in Note 10: Investments in other entities.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 27: RELATED PARTY TRANSACTIONS (CONT.)

KEY MANAGEMENT PERSONNEL

	2022 $	2021 $
Short-term employee benefits (including annual leave accruals)	1,706,638	1,587,758
Long-term employee benefits – long service leave	8,512	106,646
Post-employment benefits – superannuation	150,163	116,922
Share-based payments	381,869	245,342
Total key management personnel (KMP) compensation	**2,247,182**	**2,056,668**

Detailed remuneration disclosures are provided in the remuneration report on pages 35 to 44.

The following related party transactions occurred with entities related to the directors:

	2022	2021
Shares Issued – On Market *	**No.**	**No.**
Directors		
Glen Richards	770	-
Elizabeth Savage	813	708
Shares Issued – Exercise of Options/Performance Rights **	**No.**	**No.**
Directors		
Glen Richards	-	200,000
Elizabeth Savage	-	100,000
Declan Sherman	162,704	162,704
Thomas Reardon	502,704	502,704
Executives		
Megan Just	47,066	-
Shares Disposed *		
Directors		
Declan Sherman ***	(5,500,000)	-
Executives		
None		
Options or Performance Rights Issued		
Directors		
Thomas Reardon	116,721	-
Executives		
Ross Thompson	200,000	-
Megan Just	45,154	47,066

* These shares issues/disposals, including dividends reinvested were as a result of on market share acquisitions and disposals at arm's length.

** These shares were issued as a result of performance rights meeting their conditions.

*** 4,000,000 of these shares was transferred to another party for nil consideration.

There were no other transactions with other related parties during the period.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 28: PARENT ENTITY INFORMATION

The Corporations Act 2001 requirement to prepare parent entity financial statements where consolidated financial statements are prepared has been removed and replaced by the new regulation 2M.3.01 which requires the following limited disclosure in regard to the parent entity (PeopleIn Limited). The consolidated financial statements incorporate the assets, liabilities and results of the parent entity in accordance with the Group accounting policy. The financial information for the parent entity, PeopleIn Limited, has been prepared on the same basis as the consolidated financial statements.

	2022 $	2021 $
Statement of financial position		
ASSETS		
Current assets	1,656,822	144,541
Non-current assets	158,420,895	109,381,347
Total assets	160,077,717	109,525,888
LIABILITIES		
Current liabilities	-	1,372,066
Non-current liabilities	49,404,235	10,470,215
Total liabilities	52,037,236	11,842,281
EQUITY		
Issued capital	101,534,297	83,131,730
Reserves	5,480,430	2,150,714
Retained earnings	3,658,755	12,401,163
Total equity	**110,673,482**	**97,683,607**
Statement of profit or loss and other comprehensive income		
Other revenue	7,341,367	7,700,001
Other income	1,031	2,296
Other expenses	(597,498)	(333,517)
Finance costs	(226)	(7)
Share based payments expense	(3,329,716)	(1,137,141)
Profit before income tax expense	3,414,958	**6,231,632**
Income tax expense	(299,929)	(2,642,214)
Profit for the year	**3,115,029**	**3,589,418**
Other comprehensive income	**-**	-
Total comprehensive income	**3,115,029**	**3,589,418**

GUARANTEES

Under the terms of the Secured Financing Facility entered in with St George Bank, PeopleIn Limited has provided certain guarantees in relation to the arrangements between the Financier and the borrowing entities. These guarantees relate primarily to payment performance.

There are cross guarantees given by PeopleIn Limited and other subsidiaries as described in note 29. No deficiencies of assets exist in any of these companies.

CONTINGENT LIABILITIES

The parent entity has no contingent liabilities.

CAPITAL COMMITMENTS

The parent entity has no capital commitments.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 29: DEED OF CROSS GUARANTEE

PeopleIn Limited and all subsidiaries listed in note 10, with the exception of The Recruitment Company, Halcyon Knights Pte Ltd, Techforce Personnel Pty Ltd and Techforce Personnel Services Pty Ltd, are parties to a deed of cross guarantee under which each Company guarantees the debts of others. The deed was entered into on the 23 June 2017 and the new entities either incorporated or acquired subsequent to that date were added on the 26 June 2019, 30 July 2020 and 17 June 2021. The entities acquired or incorporated during the financial year were added on the 16 June 2022. By entering into the deed, the wholly owned entities have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporations (Wholly owned Companies) Instrument 2016/785.

A. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AND SUMMARY OF MOVEMENTS IN CONSOLIDATED RETAINED EARNINGS

The above companies represent a 'Closed Group' for the purposes of the instrument, and as there are no other parties to the deed of cross guarantee that are controlled by PeopleIn Limited, they also represent the 'Extended Closed Group'.

Set out below is a consolidated statement of profit or loss and other comprehensive income and a summary of movements in consolidated retained earnings for the year ended 30 June 2022 of the Closed Group.

	2022 $	2021 $
Statement of profit or loss and other comprehensive income		
Revenue	470,389,298	427,845,534
Other income	79,774	72,478
Employee benefits expense	(508,545,185)	(381,248,118)
Occupancy expenses	(3,456,786)	(1,232,714)
Depreciation and amortisation expense	(10,532,789)	(6,535,115)
Other expenses	73,675,618	(12,150,900)
Finance costs	(1,694,611)	(1,457,881)
Share of profit of equity-accounted investees, net of tax	195,816	(6,059)
Profit before income tax expense	20,111,135	25,287,225
Income tax expense	(6,519,676)	(8,237,863)
Profit for the period	**13,591,459**	**17,049,362**
Other comprehensive income for the period, net of income tax	-	-
Total comprehensive profit / (loss) for the period	**13,591,459**	**17,049,362**
Summary of movements in consolidated retained earnings		
Retained earnings at the beginning of the financial year	**12,063,105**	**6,149,149**
Profit for the period	13,591,460	17,049,362
Retained earnings at the end of the financial year	**25,654,565**	**23,198,511**

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 29: DEED OF CROSS GUARANTEE (CONT.)

B. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Set out below is a consolidated statement of financial position as at 30 June 2022 of the Closed Group.

	2022 $	2021 $
CURRENT ASSETS		
Cash and cash equivalents	24,965,823	11,207,509
Trade and other receivables	82,706,930	52,745,952
Other current assets	12,105,509	1,613,185
TOTAL CURRENT ASSETS	**119,778,262**	**65,566,646**
NON-CURRENT ASSETS		
Trade and other receivables	452,297	1,038,752
Financial assets	50,550	(6,109)
Property, plant and equipment	14,706,784	7,522,515
Intangible assets	201,996,292	116,939,531
TOTAL NON-CURRENT ASSETS	**217,205,923**	**125,494,689**
TOTAL ASSETS	**336,984,185**	**191,061,335**
CURRENT LIABILITIES		
Trade and other payables	45,589,508	26,088,810
Contingent consideration	13,015,804	6,877,665
Financial liabilities	24,559,180	6,150,811
Current tax liabilities	473,741	1,223,626
Employee benefits	16,096,277	3,994,227
TOTAL CURRENT LIABILITIES	**99,734,510**	**44,335,139**
NON-CURRENT LIABILITIES		
Contingent consideration	17,047,253	1,952,837
Financial liabilities	73,548,639	27,716,487
Deferred tax liabilities	10,455,650	5,516,060
Employee benefits	835,972	592,377
TOTAL NON-CURRENT LIABILITIES	**101,887,514**	**35,777,761**
TOTAL LIABILITIES	**201,622,024**	**80,112,900**
NET ASSETS	**135,362,161**	**110,948,435**
EQUITY		
Share capital	101,531,224	83,128,657
Retained earnings	25,654,565	23,198,511
Reserves	5,581,986	2,252,270
	132,767,775	108,579,438
Non-controlling interest	2,594,386	2,368,997
TOTAL EQUITY	**135,362,161**	**110,948,435**

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

NOTE 30: OTHER ACCOUNTING POLICIES

GST

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

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

EQUITY, RESERVES AND DIVIDEND PAYMENTS

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Other components of equity include the following:

- foreign currency translation reserve: comprises foreign currency translation differences arising on the translation of financial statements of the Group's foreign entities into Australian Dollars.
- share based payments reserve: records items recognised as expenses on valuation of employee share options.

Retained earnings include all current and prior period retained profits.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a General Meeting prior to the reporting date.

All transactions with owners of the parent are recorded separately within equity.

NEW AND AMENDED STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

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 2022.

From managements review of the new Australian Accounting Standards and Interpretations issued not yet adopted there is no significant impacts on the financial performance or position of the Group envisaged.

NEW, REVISED OR AMENDING ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these new and revised Standards and Interpretations did not have any material impact on the amounts recognised in the financial statements of the Group for the current or prior. There have been no changes in the accounting policies from that disclosed in the 30 June 2021 financial statements.

NOTE 31: CHANGE IN ACCOUNTING POLICIES

The Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of PeopleIn Limited (the 'Company'):
    a. The consolidated financial statements and notes of PeopleIn Limited are in accordance with the *Corporations Act 2001*, including:
        i. Giving a true and fair view of the financial position as at 30 June 2022 and of its performance for the period ended on that date; and
        ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations), which as stated in notes to the financial statements constitutes compliance with International Financial Reporting Standards and the Corporations Regulations 2001; and
    b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and
    c. At the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in note 29 will be able to meet any obligation or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 29.
2. The directors have been given the declarations by the Interim Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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

Glen Richards

Chairman

Dated this 26th day of August 2022

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INDEPENDENT AUDITOR'S REPORT

To the members of PeopleIn Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of PeopleIn Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, 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 report, including a summary of significant accounting policies and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (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 of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of goodwill and intangible assets

Key audit matter	*How the matter was addressed in our audit*
Refer to Note 13 – Intangible assets The group has recognised intangible assets as a result of both historic acquisitions over a number of years and business acquisitions in the current year. The impairment assessment of the Group's intangible asset balances incorporated significant judgment in respect of factors such as discount rates, revenue growth and cost assumptions. This was determined to be a key audit matter due to amounts involved being material, the inherent subjectivity associated with critical judgements being made in relation to forecast future revenue and costs, discount rates and terminal growth.	Our procedures, amongst others, included: • Evaluation of the methodology applied by the group in determining the cash generating units (CGU); • Assessment of the Group's value in use model by reference to the budgets and future plans; • Performance of tests over the mathematical accuracy of the model and underlying calculations; • Challenge of key assumptions, including forecast growth rates by comparison to historical results, business trends, and economic and industry forecasts, and evaluation of the discount rates used by assessing the cost of capital for each CGU; • Sensitivity analysis on the key assumptions used in the model. These included revenue forecasts and revenue multipliers used in the terminal year of the cash flows and the discount rates applied; and • Assessing the adequacy of the Group's disclosures.

Acquisition of subsidiaries

Key audit matter	*How the matter was addressed in our audit*
Refer to Note 9 – Acquisition of businesses During the 2022 financial year the Group acquired a number of entities. The audit of the accounting for business combinations is a key audit matter due to the significant judgement and complexity involved in determining the fair value of identifiable intangible assets and the purchase price.	Our procedures, amongst others, included: • Reviewing the acquisition agreements to understand the key terms and conditions, and ensuring the accounting for the acquisitions was consistent with the agreements; • Evaluating the assumptions and methodology in Management's determination of the fair value of the assets and liabilities acquired; and • Assessing the adequacy of the Group's disclosures.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

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

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 35 to 44 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of PeopleIn Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

M Cutri
Director

Brisbane, 26 August 2022

SHAREHOLDER INFORMATION AS AT 14 OCTOBER 2022

Shareholder Information required by the Australian Securities Exchange Limited (ASX) Listing Rules and not disclosed elsewhere in the Report is set out below.

1. In accordance with the 4th edition ASX Corporate Governance Council's Principles and Recommendations, the 2022 Corporate Governance Statement, as approved by the Board, is available on the Company's website at: https://www.peopleinfrastructure.com. The Corporate Governance Statement sets out the extent to which PeopleIn Limited has followed the ASX Corporate Governance Council's Recommendations during the 2022 financial year.

2. **Substantial shareholders**

   The number of securities held by substantial shareholders and their associates (as reported to the ASX) are set out below:

   Fully paid Ordinary Shares

Name	Number	%
Andnatco AWX Pty Ltd and Andrew Peter Brosnan	6,058,323	6.13%
AP Brosnan Pty Ltd and Mark Dennis Reiken	6,078,999	6.15%

3. **Number of security holders and securities on issue**

   PeopleIn Limited has issued the following securities:

   a. 100,826,884 fully paid ordinary shares held by 5,909 shareholders;

   b. 343,170 unlisted $4.371 options held by 1 option holder; and

   c. 2,750,148 performance rights held by 81 performance rights holders.

4. **Voting rights**

   Ordinary shares

   In accordance with the PeopleIn Limited Constitution, and subject to any rights or restrictions attached to any class of shares, at a meeting of members the voting rights attached to ordinary shares are that on a show of hands, every member present, in person or proxy, has one vote and upon a poll, each share shall have one vote.

   Options

   Option holders do not have any voting rights on the options held by them.

5. **Distribution of security holders**

   (a) Quoted securities

Category	Fully paid Ordinary shares			
	Holders	%	Shares	%
1 - 1,000	2,184	36.96	1,048,918	1.04
1,001 - 5,000	2,193	37.11	5,593,149	5.55
5,001 - 10,000	806	13.64	6,057,182	6.01
10,001 - 100,000	674	11.41	14,540,027	14.42
100,001 and over	52	0.88	73,587,608	72.98
Total	**5,909**	**100.00**	**100,826,884**	**100.00**

SHAREHOLDER INFORMATION AS AT 14 OCTOBER 2022 (CONT.)

5. Distribution of security holders (cont.)

(b) Unquoted securities

Category	$1.00 Options		
	Holders	Number	%
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	-	-	-
100,001 and over	1	343,170	100
Total	**1**	**343,170**	**100**

6. **Unmarketable parcel of shares**

There are no unmarketable parcels held as at 14 October 2022.

7. **Twenty largest shareholders of quoted equity securities**

Fully paid ordinary shares

Details of the 20 largest shareholders by registered shareholding are:

	Name	No. of shares	% IC
1	NATIONAL NOMINEES LIMITED	18,060,478	17.91
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	11,382,310	11.29
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9,427,032	9.35
4	CITICORP NOMINEES PTY LIMITED	9,247,521	9.17
5	NAMBAWAN INVESTMENTS PTY LTD	2,949,461	2.93
6	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	2,477,541	2.46
7	BNP PARIBAS NOMS PTY LTD	1,901,246	1.89
8	ELSEM PTY LTD	1,798,885	1.78
9	IDSINVEST PTY LTD	1,742,676	1.73
10	WAM INDUSTRIES PTY LTD	1,363,892	1.35
11	UBS NOMINEES PTY LTD	1,336,985	1.33
12	ELSEM PTY LTD	1,259,219	1.25
13	PACIFIC CUSTODIANS PTY LIMITED	781,748	0.78
14	UNIT ONE KIPARRA PTY LTD	694,377	0.69
15	GF & LH RICHARDS SUPER PTY LTD	603,641	0.60
16	LINCJON PTY LTD	487,740	0.48
17	BNP PARIBAS NOMINEES PTY LTD	405,568	0.40
18	SIMON BLACK PROMOTIONS PTY LTD	400,000	0.40
19	ROHAR INVESTMENTS (QLD) PTY LTD	387,869	0.38
20	MAXIMUM (NQ) PTY LTD	353,641	0.35
	Total	**67,061,830**	**66.51**
	Balance of register	**33,765,054**	**33.49**
	Grand total	**100,826,884**	**100.00**

SHAREHOLDER INFORMATION AS AT 14 OCTOBER 2022 (CONT.)

8. A list of other stock exchanges on which any of the Company's securities are quoted.

   PeopleIn Limited securities are only listed on the ASX.

9. There are 3,058,104 securities subject to a 6 month voluntary escrow that are on issue.

10. **Unquoted securities**

    Options

    343,170 unlisted options have been issued to 1 option holder and remain unexercised. Details of holders of 20% or more of the $1.00 options are as follows:

Name	Number	%
Justin McNicol	343,170	100.00

11. **On market buy-back**

    There is no current on market buy-back.

12. **Statement regarding use of cash and assets.**

    During the period between 1 July 2021 and 30 June 2022, PeopleIn Limited has used its cash and assets readily convertible to cash that it had at the time of ASX admission in a way consistent with its business objectives set out in the prospectus dated 20 October 2019.

PeopleIN

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