Ensogo Limited

ACN 165 522 887

Annual Report - 31 December 2016

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Ensogo Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2016.

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

Lucas Elliott
David Gu
Mark Licciardo (Appointed 3 October 2016)
Chris Lobb (Appointed 31 December 2016)
Erman Akinci (Resigned 31 December 2016)
Nick Geddes (Resigned 31 December 2016)
Patrick Grove (Resigned 31 December 2016)
Sam Weiss (Resigned 1 October 2016)
Thomas Baum (Resigned 16 June 2016)
Frederique Covington (Appointed 23 March 2016, resigned 20 May 2016)

Principal activities
The principal activity of Ensogo Limited during the period ended 21 June 2016 was the provision of e-commerce business services. Headquartered in Singapore with operations in Hong Kong, Singapore, Malaysia, Philippines, Indonesia and Thailand, the Group provided products and services for sale to customers in South East Asia and Hong Kong. The Group ceased its provision of e-commerce business services in all locations effective 21 June 2016 following the collective decision of the Board of Directors.

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

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $10,397,259(31 December 2015: $79,757,415). During the year, the Group discontinued most of its overseas operations.

The attached annual report for the year ended 31 December 2016 contains an independent auditor's report which includes a disclaimer of opinion in regard to the withdrawal of support to all operating subsidiaries and existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. For further information, refer to Note 1 to the financial statements, together with the auditor's report.

Significant changes in the state of affairs
Following the collective decision of the Board of Directors, the Company ceased its operation of flash sales and marketplace businesses in Southeast Asia during the period.

On 17 June 2016, the Company requested that the Australian Securities Exchange place all its securities in a Trading Halt Session State pending the release of a material announcement. Subsequently, on 20 June 2016 the Company informed its Asian operating subsidiaries that it was withdrawing financial support and that it believed that the withdrawal of such support would require the entities to seek voluntary administration or liquidation. On 21 June 2016, the Company requested that its securities be suspended from official quotation in accordance with Listing Rule 17.2 until the Company is in a position to satisfy the requirements of the Listing Rules for reinstatement of its securities to trading.

Further details regarding the status of the Company's cessation of e-commerce operations are presented in Note 1 of the Financial Statements.

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

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 December 2016 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The withdrawal of financial support for its Asian operating subsidiaries followed progressively by the loss of management control as liquidators or administrators were appointed in each respective country, means that the Company no longer has any active consumer-facing operations or control over the timing of the various winding-up processes.

The Board's current focus is on prudent fiduciary management of the Company's existing assets, and as such is focused on liaising with appointed liquidators to all overseas operations and assisting the liquidators as required to complete the winding-up processes as efficiently as possible. While the Board of Directors continues to actively evaluate various paths forward available to the Company, including potential merger and acquisitions activity or a return of capital to shareholders, the Board believes that cash equivalents of $5,246,600 at December 31 is sufficient to support operations until a decision on the future path of the company can be determined.

Environmental regulation

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

Information on directors

Name:	Lucas Elliott
Title:	Non-independent, Non-executive Director
Qualifications:	B. COMM
Experience and expertise:	Board member since August 2013. Mr Elliott is a co-founder of Ensogo. He has over 15 years of Asian online experience, with a focus on developing fast moving online business models and monetising online assets. Mr Elliott is also a co-founder of Catcha Group, where he is responsible for all aspects of Catcha Group's corporate finance activities, including mergers and acquisitions, capital raisings and public listings. Mr Elliott has a Bachelor of Commerce degree with a major in Finance from the University of Sydney.
Other current directorships:	Mr Elliott is also a director of iCar Asia Ltd, an ASX-listed company, and Rev Asia Berhad, a Malaysian-listed company.
Former directorships (last 3 years):	iProperty Group Limited
Special responsibilities:	Member of the Audit, Business Risk and Compliance Committee and member of the Remuneration and Nomination Committee
Interests in shares:	Patrick Grove and Lucas Elliott together have an effective 14.13% interest through Catcha Group which holds 5,310,023 shares in the company

Name:	Patrick Grove (Resigned 31 December 2016)
Title:	Non-independent, Non-executive Director
Qualifications:	CA, B. COMM
Experience and expertise:	Board member and Chairman (until June 2015). Mr Grove is a co-founder of Ensogo. Mr Grove's experience and expertise include mergers and acquisitions and extraction of investment value in high growth, media and technology environments. Mr Grove has built a number of significant media and internet businesses across Asia and has taken four businesses from start up to initial public offer. He has been independently recognised with numerous international awards, including as a Global Leader of Tomorrow by the World Economic Forum, a New Asian Leader by the World Economic Forum, the Australian Chamber of Commerce, Singapore, Young Entrepreneur of the Year and Business Week's Best Young Asian Entrepreneurs. Mr Grove has a Bachelor of Commerce degree with a major in Accounting and Finance from the University of Sydney.
Other current directorships:	Mr Grove is Chief Executive Officer, Chairman and major shareholder of Catcha Group, one of South East Asia's most dynamic investment groups. Mr Grove is also the Chairman of iCar Asia Ltd, an ASX-listed company and a director of Rev Asia Berhad, a Malaysian-listed company.
Former directorships (last 3 years):	iProperty Group Limited
Special responsibilities:	None
Interests in shares:	Patrick Grove and Lucas Elliott together have an effective 14.13% interest through Catcha Group which holds 5,310,023 shares in the Company.

Name:	Erman Akinci (Resigned 31 December 2016)
Title:	Non-independent, Non-executive Director
Qualifications:	B. SC
Experience and expertise:	Board member since November 2013. Mr Akinci specialises in the sourcing and development of new business opportunities in the online space in Asia. Mr Akinci is a founder of Dealmates and the Director of Business Development for Catcha Group, where he is responsible for deal origination and integration. Mr Akinci has a Bachelor of Science in Electrical Engineering from Pennsylvania State University, USA.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	4,688

Name:	Nick Geddes (Resigned 31 December 2016)
Title:	Independent, Non-executive Director, Chairman of Audit, Business Risk and Compliance Committee
Qualifications:	FCA, FCIS, FGIA
Experience and expertise:	Mr Nick Geddes was appointed Director and Company Secretary in August 2013 and resigned as Company Secretary on 1 January 2016. He ran a company secretarial practice that focused on ASX Listed Companies for over 20 years. Mr Geddes is a past President of Chartered Secretaries Australia. His previous experience, as a Chartered Accountant and Company Secretary, includes investment banking and development and venture capital in Europe, Africa, the Middle East and Asia.
Other current directorships:	None
Former directorships (last 3 years):	iCar Asia Limited, iProperty Group Limited
Special responsibilities:	Committee Chairman of the Audit, Business Risk and Compliance Committee and Committee Chairman of the Remuneration and Nomination Committee.
Interests in shares:	15,365

Name:	David Gu
Title:	Non-independent, Non-executive Director
Qualifications:	MBA, MIT Sloan
Experience and expertise:	Board member since February 2015, when Vipshop made an investment in Ensogo, Mr. Gu currently serves as Senior Director of Corporate Development in Vipshop, a leading online discount retailer for brands in China. Before Vipshop, he was a venture capitalist, Vice President at Lightspeed Venture Partners in China, and a strategy consultant, Project Leader at BCG Shanghai office. He received MBA degree from the MIT Sloan School of Management, and Bachelor's degree in EE from Shanghai Jiao Tong University in China.
Other current directorships:	SRP GROUPE (www.showroomprive.com)
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	Nil

Name:	Mark Licciardo (Appointed 3 October 2016)
Title:	Independent, Non-executive Director and Company Secretary
Qualifications:	B Bus (Acc), GradDip CSP, FGIA, GAICD
Experience and expertise:	Mark Licciardo is the founder and Managing Director of Mertons Corporate Services. He has extensive experience in working with Boards of Directors of high profile ASX-listed companies in the areas of corporate governance, accounting and finance, and company secretarial practices during a 30-year corporate career in banking and finance, funds management, investment, infrastructure development and in the establishment and management of a consulting business. A former Company Secretary of Top 50 ASX listed companies Transurban Group and Australian Foundation Investment Company Limited, Mark is also the former Chairman of the Governance Institute of Australia (GIA) Victoria division and Melbourne Fringe Festival, and a current non-executive Director of a number of public and private companies.
Other current directorships:	iCar Asia Limited and Frontier Digital Ventures Limited
Former directorships (last 3 years):	None
Special responsibilities:	Committee Chairman of the Audit, Business Risk and Compliance Committee and Committee Chairman of the Remuneration and Nomination Committee.
Interests in shares:	Nil

Name:	Sam Weiss (Resigned 1 October 2016)
Title:	Independent, Non-executive Chairman, Chairman of Remuneration and Nomination Committee
Qualifications:	AB MS FAICD
Experience and expertise:	Board member since November 2013 and Chairman since June 2015. Mr Weiss is a highly experienced company Chairman and Non-Executive Director and brings valuable Boardroom experience in strategy, financial discipline, governance, remuneration policy, brand building and corporate leadership development. Through his executive roles of Vice-President of Asia Pacific, Gateway Computers, COO of LetsBuyIt.com and COO of Nike Europe. Mr Weiss has extensive corporate advisory, product merchandising and marketing and organisational design and development knowledge. Mr Weiss is a graduate of Harvard University and the Columbia University School of Business Administration.
Other current directorships:	Mr Weiss is a director and the Chairman of Altium Ltd, 3PLearning Ltd, and Surfstich Group.
Former directorships (last 3 years):	iProperty Group Limited, Oroton Group Ltd and Breville Group Ltd.
Special responsibilities:	Member of the Audit, Business Risk and Compliance Committee, Member of the Remuneration and Nomination Committee (served as Chairman until February 2016).
Interests in shares:	Sam Weiss has an effective interest of 0.2% through Mutual Appreciation Society Pty Limited (Garb-Weiss Super Fund A/c) and Southern Skies Pty Ltd which holds 62,084 shares and 13,217 shares respectively in the company. Mr Weiss is both a shareholder and director in these two companies.

Name:	Thomas Baum (Resigned 16 June 2016)
Title:	Non-independent, Non-executive Director
Qualifications:	Dipl. Kaufmann, CEMS Master
Experience and expertise:	Board member since July 2014. Since 2011 he has been managing director and CFO of the global e- commerce holding company Rebate Networks which started more than 30 e-commerce/ daily deal companies in Asia, Eastern Europe and South America. Formerly he was the managing director and CFO of StudiVZ, the largest German social network at that time. He founded his first e-commerce business at the end of 1999 and is currently involved in several start-ups as business angel Mr.Baum studied at the University of Cologne and at the HEC (Hautes Études Commerciales) in Paris and has a Diploma (Master-Degree) in Business Administration and a CEMS MIM.
Other current directorships:	Managing Director of Rebate Networks GmbH, MJ SEA Group Pte. Ltd. Singapore and Cat Dong Trading and Services Joint Stock Company, Vietnam.
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	Thomas Baum directly holds 5,140 shares. In addition, Mr Baum is a director in Rebate Networks which holds 2,746,942 ordinary shares in the Company as at 31 December 2016. Thomas Baum does not own any shares in Rebate Networks.

Name:	Frederique Covington (Appointed 23 March 2016, resigned 20 May 2016)
Title:	Independent, Non-executive Director
Qualifications:	BA, MBA
Experience and expertise:	Ms Covington joined Twitter in January 2014 as the Marketing Director for the International markets covering APAC, India, Middle East, Africa and Canada. Previously, Ms Covington was a Senior Director at Microsoft where she was the Central Marketing Organization Lead for Asia-Pacific. In this role, she developed the regional marketing strategies for all of the company's offerings across commercial and consumer audiences. In her role, she headed up the Asia-Pacific community of CMOs in the region providing region-wide marketing talent management, marketing campaigns, governance, marketing excellence, and marketing planning, execution and measurement supporting Microsoft devices and services. Prior to this role, she held a position as the Director of Marketing Communications within Microsoft's Consumer & Online (C&O) business where she developed marketing communications strategy and programs to build perception and market share for Microsoft Consumer and Online properties. Prior to joining Microsoft, Ms Covington was with the Ogilvy Group, where she held numerous leadership positions, most recently running its operations in Asia as Managing Partner of Bates141. Leading a 30-strong strategic planning community, she successfully strengthened the agency's credentials and thought leadership profile across the region. As a core member of the management team, she oversaw all of the agency's key clients such as Sony, Dell, Samsung, Virgin Mobile, HSBC, Heineken and Avon.
Other current directorships:	Digital Advisory board (DAB) of Danone Early Life Nutrition
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	Nil

Name:	Chris Lobb (Appointed 31 December 2016)
Title:	Independent, Non-executive Director
Qualifications:	FGIA, CPA, MAICD
Experience and expertise:	Mr Lobb is currently Manager, Corporate Governance with corporate governance specialists, Mertons Corporate Services Pty Ltd. Prior to this Chris has been a Chartered Secretary for over 20 years having first held the role with the Gandel Group of Companies, an entity with interests in property (listed and un-listed), investment and funds management. After this initial role he has held positions with Colonial First State, MSF Sugar Limited and GSG Limited in both listed and non-listed environments. In addition to these appointments, Chris was a member of the National Board of Chartered Secretaries Australia (now Governance Institute of Australia) including serving as Chairman of the Victorian Division. Chris was also a non-executive director of Box Hill Institute of TAFE from 2005 to 2010 and holds a degree in accounting.
Other current directorships:	iCar Asia Limited
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit, Business Risk and Compliance Committee and member of the Remuneration and Nomination Committee
Interests in shares:	Nil

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

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

Company secretary
Mark Licciardo was appointed as Ensogo Limited's company secretary effective 1 January 2016. Mark Licciardo's qualifications, experience and expertise are disclosed in the Information of Directors section above.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 December 2016, and the number of meetings attended by each director were:

	Full Board		Remuneration and Nomination Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Lucas Elliott	12	13	2	2	1	3
Patrick Grove *****	10	13	-	-	-	-
Erman Akinci *****	12	13	-	-	-	-
Nick Geddes *****	12	13	2	2	3	3
David Gu	8	13	-	-	-	-
Mark Licciardo *	1	1	-	-	-	-
Sam Weiss **	11	12	2	2	3	3
Thomas Baum ***	8	8	-	-	-	-
Frederique Covington ****	3	4	-	-	-	-
Chris Lobb ******	1	1	-	-	-	-

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

*	Appointed 3 October 2016	****	Appointed 23 March 2016, resigned 20 May 2016
**	Resigned 1 October 2016	*****	Resigned 31 December 2016
***	Resigned 16 June 2016	******	Appointed 31 December 2016

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

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

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- incentive for executives

The Remuneration and Nomination Committee is responsible for determining and reviewing remuneration arrangements for its executives. The performance of the group depends on the quality of the executive team and its ability to work together to deliver results. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel, and is structured to:
- reward capability and performance
- reflect competitive rewards for contribution to growth in shareholder wealth
- provide a clear structure for earning rewards

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

Non-executive directors remuneration
Under the Constitution, the directors decide the total amount paid to all directors as remuneration for their services as a director. Under the Listing Rules of the ASX, the total amount paid to all directors for their services must not exceed in aggregate in any financial year the amount fixed at an Ensogo Limited Annual General Meeting. This amount has been fixed by Ensogo at $650,000. Statutory superannuation is also payable on fees paid to directors.

Under its Charter, the Remuneration and Nomination Committee must have at least two members, all of whom must be non-executive directors; a majority of independent directors and the chairman of the committee must be independent. For the financial year ended 31 December 2016, Sam Weiss, Lucas Elliott and Nick Geddes were members of the Committee, which was chaired by Mr Geddes. From 1 January 2017 the members of the Committee are Mark Licciardo, Lucas Elliott, and Christopher Lobb, which is chaired by Mr Licciardo.

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

The executive remuneration and reward framework has the following components:
- base pay and non-monetary benefits
- short-term and long term performance incentives

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

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

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example medical insurance paid for the Chief Executive Officer).

The short-term incentive ('STI') program is designed to align the strategic and financial goals of the business with the targets of those executives in charge of meeting the targets. STI payments are granted to executives at the discretion of the company and based on achievement of key performance indicators ('KPI's') as set from time to time by the company. STIs are payable in cash or a mix of cash and shares.

The long-term incentive ('LTI') program is designed to retain key executives and to reward performance that enhances shareholder value and will be made using share-based payments. Shares are awarded to executives at the discretion of the company based on long-term incentive measures. These may include increase in shareholders' value in absolute terms, relative to the entire market and the increase compared to the consolidated entity's direct competitors.

Voting and comments made at the company's 2015 Annual General Meeting ('AGM')
At the 2015 AGM, in excess of 75% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2015. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the directors of Ensogo Limited and the following persons:

- Kris Marszalek - Chief Executive Officer
- Rafael Melo - Chief Financial Officer

2016	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Other	
	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Termination benefit $	Total $
Non-Executive Directors:								
Lucas Elliott	-	-	-	-	-	-	-	-
David Gu	-	-	-	-	-	-	-	-
Mark Licciardo *	-	-	-	-	-	-	-	-
Chris Lobb **	-	-	-	-	-	-	-	-
Erman Akinci ***	-	-	-	-	-	-	-	-
Patrick Grove ***	-	-	-	-	-	-	-	-
Nick Geddes ***	-	-	-	-	-	-	-	-
Sam Weiss ****	-	-	-	-	-	-	-	-
Thomas Baum *****	-	-	-	-	-	-	-	-
Frederique Covington ******	-	-	-	-	-	-	-	-
						-		
Other Key Management Personnel:								
Kris Marszalek *******	170,298	-	-	1,320	-	-	84,498	256,116
Rafael Melo ********	185,645	-	-	11,151	-	200,000	73,633	470,429
	355,943	-	-	12,471	-	200,000	158,131	726,545

* Appointed 3 October 2016
** Appointed 31 December 2016
*** Resigned 31 December 2016
**** Resigned1 October 2016
***** Resigned 16 June 2016
****** Appointed 23 March 2016, resigned 20 May 2016
******* Resigned 21 June 2016
******** Resigned 17 October 2016

Mark Licciardo is engaged as the Company secretary of Ensogo Limited through a consultancy agreement between the Company and Mertons Corporate Services Pty Ltd, of which Mr Licciardo is a director. Mertons Corporate Services Pty Ltd charges Ensogo $5,000 per month for the provision of Mr Licciardo's services. Services amounting to $60,000 (2015: $nil) were provided to the consolidated entity during the financial year.

Given the current circumstances and uncertainty, the Directors have agreed to waive their remuneration for the financial year ended 31 December 2016.

2015	Short-term benefits: Cash salary and fees $	Short-term benefits: Cash bonus $	Short-term benefits: Equity--settled $	Post-employment benefits: Super-annuation $	Long-term benefits: Long service leave $	Share-based payments: Equity-settled $	Total $
Non-Executive Directors:							
Sam Weiss	-	-	85,096	-	-	-	85,096
Lucas Elliott	-	-	70,000	-	-	-	70,000
Patrick Grove	-	-	79,808	-	-	-	79,808
Erman Akinci	-	-	70,000	-	-	-	70,000
Nick Geddes	-	-	74,521	-	-	-	74,521
Thomas Baum	-	-	70,000	-	-	-	70,000
David Gu*	-	-	59,068	-	-	-	59,068
Other Key Management Personnel:							
Kris Marszalek	412,342	-	-	3,094	-	-	415,436
Rafael Melo	290,735	-	-	10,016	-	-	300,751
	703,077	-	508,493	13,110	-	-	1,224,680

* Appointed on 27 February 2015

In 2015, Nick Geddes was engaged as the Company secretary of Ensogo Limited through a consultancy agreement between the Company and Australian Company Secretaries Pty Ltd, of which Mr Geddes is a principal. Australian Company Secretaries Pty Ltd charged Ensogo approximately $5,000 per month for the provision of Mr Geddes' services. Services amounting $60,000 were provided to the consolidated entity during the financial year ended 31 December 2015. Mr Geddes resigned as company secretary effective 1 January 2016 and accordingly, Australian Company Secretaries Pty Ltd ceased the provision of Mr Geddes services at that same date.

Equity settled short term benefits are shares in the Company granted to directors as their annual remuneration.

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

Name	Fixed remuneration 2016	Fixed remuneration 2015	At risk - STI 2016	At risk - STI 2015	At risk - LTI 2016	At risk - LTI 2015
Non-Executive Directors:						
Lucas Elliott	-	100%	-	-	-	-
David Gu	-	100%	-	-	-	-
Mark Licciardo	-	-	-	-	-	-
Chris Lobb	-	-	-	-	-	-
Erman Akinci	-	100%	-	-	-	-
Patrick Grove	-	100%	-	-	-	-
Nick Geddes	-	100%	-	-	-	-
Sam Weiss	-	100%	-	-	-	-
Thomas Baum	-	100%	-	-	-	-
Frederique Covington	-	-	-	-	-	-
Other Key Management Personnel:						
Kris Marszalek	100%	100%	-	-	-	-
Rafael Melo	100%	100%	-	-	-	-

* Appointed 3 October 2016	**** Resigned1 October 2016	******* Resigned 21 June 2016
** Appointed 31 December 2016	***** Resigned 16 June 2016	******** Resigned 17 October 2016
*** Resigned 31 December 2016	****** Appointed 23 March 2016, resigned 20 May 2016	

Service agreements
There were no service agreements in place as at 31 December 2016.

Share-based compensation

Issue of shares
Details of shares issued to directors and other key management personnel as part of compensation during the year ended 31 December 2016 are set out below:

Name	Date	Shares	Issue price	$
Rafael Melo	23 March 2016	100,000	$2.00	200,000

The shares issued are relating to the short term incentive plan for the financial year ended 31 December 2015. There are no short-term incentive plan shares issued for the year ended 31 December 2016.

Options
There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 31 December 2016.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 31 December 2016.

Additional disclosures relating to key management personnel

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

Ordinary shares	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Direct Interest	-	-	-	-	-
Sam Weiss	-	-	-	-	-
Lucas Elliot	-	-	-	-	-
Patrick Grove	-	-	-	-	-
Erman Akinci	4,688	-	-	-	4,688
Nick Geddes	15,365	-	-	-	15,365
Thomas Baum	5,140	-	-	-	5,140
David Gu	-	-	-	-	-
Kris Marszalek	-	-	-	-	-
Rafael Melo	-	100,000	-	-	100,000
Chris Lobb	-	-	-	-	-
Indirect interest					
Sam Weiss	75,301	-	-	-	75,301
Lucas Elliot	5,310,023	-	-	-	5,310,023
Patrick Grove	5,310,023	-	-	-	5,310,023
Erman Akinci	-	-	-	-	-
Nick Geddes	-	-	-	-	-
Thomas Baum	-	-	-	-	-
David Gu	-	-	-	-	-
Kris Marszalek	2,544,419	-	-	-	2,544,419
Rafael Melo	-	-	-	-	-
Chris Lobb	-	-	-	-	-
	13,265,959	-	-	-	13,265,959

Sam Weiss has an effective interest through Mutual Appreciation Security Pty Ltd (Garb-Weiss Super Fund) and Southern Skies Pty Ltd which hold 62,084 ordinary shares and 13,217 ordinary shares respectively as at 31 December 2016. Sam Weiss is a shareholder and director in both of these companies.

Lucas Elliott and Patrick Grove are co-founders of Catcha Group Pte Ltd and together have an effective interest in the Company. Their combined interest stand at 5,310,023 ordinary shares as at 31 December 2016.

Thomas Baum is a director in Rebate Networks which holds 2,746,942 ordinary shares in the Company as at 31 December 2016. Thomas Baum does not own any shares in Rebate Networks.

Kris Marszalek has an effective interest through Middle Kingdom Capital Group which holds 2,544,419 ordinary shares up to the date of Kris Marszalek's resignation. Kris Marszalek has a 50% shareholding in Middle Kingdom Capital Group.

This concludes the remuneration report, which has been audited.

Shares under option
There were no unissued ordinary shares of Ensogo Limited under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of Ensogo Limited issued on the exercise of options during the year ended 31 December 2016 and up to the date of this report.

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

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

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

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

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

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former partners of PricewaterhouseCoopers
There are no officers of the company who are former partners of PricewaterhouseCoopers.

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

Auditor
PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors

Mark Licciardo

27 February 2017

Auditor's Independence Declaration

As lead auditor for the audit of Ensogo Limited for the year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Jon Roberts
Partner
PricewaterhouseCoopers

Melbourne
27 February 2017

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

General information

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

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

C/O Mertons Corporate Services,
Level 7, 330 Collins Street,
MELBOURNE, VIC 3000

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2017. The directors have the power to amend and reissue the financial statements.

Corporate governance disclosures can be found on the company's website: http://ir.ensogo.com/corporate-governance/

Ensogo Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2016

	Note	Consolidated 2016 $	Consolidated Restated 2015* $
Revenue		-	-
Other income	4	148,436	539,420
Expenses			
Depreciation and amortisation expense	5	(35,272)	(35,394)
Impairment of assets	5	(633,518)	-
Marketing		(437,256)	(56,237)
Administration		(7,167,383)	(4,131,176)
Loss before income tax expense from continuing operations		(8,124,993)	(3,683,387)
Income tax expense	6	-	-
Loss after income tax expense from continuing operations		(8,124,993)	(3,683,387)
Profit/(loss) after income tax benefit from discontinued operations	7	(2,272,266)	(76,074,028)
Loss after income tax benefit for the year attributable to the owners of Ensogo Limited	21	(10,397,259)	(79,757,415)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(736,181)	1,524,867
Other comprehensive income for the year, net of tax		(736,181)	1,524,867
Total comprehensive income for the year attributable to the owners of Ensogo Limited		(11,133,440)	(78,232,548)

	Note	Cents	Cents
Loss per share from continuing operations attributable to the owners of Ensogo Limited			
Basic earnings per share	33	(21.03)	(11.45)
Diluted earnings per share	33	(21.03)	(11.45)
Loss per share from discontinued operations attributable to the owners of Ensogo Limited			
Basic earnings per share	33	(5.88)	(236.39)
Diluted earnings per share	33	(5.88)	(236.39)
Loss per share attributable to the owners of Ensogo Limited			
Basic earnings per share	33	(26.91)	(247.84)
Diluted earnings per share	33	(26.91)	(247.84)

* The prior period financial results have been restated to present the comparative financial result of the discontinued operations.

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

Ensogo Limited
Statement of financial position
As at 31 December 2016

	Note	Consolidated 2016 $	2015 $
Assets			
Current assets			
Cash and cash equivalents	8	5,246,600	29,006,641
Trade and other receivables	9	-	1,795,261
Inventories	10	-	1,571,440
Other	11	-	1,744,248
Total current assets		5,246,600	34,117,590
Non-current assets			
Receivables	12	-	2,846,915
Available-for-sale financial assets	13	-	685,899
Property, plant and equipment	14	-	917,152
Intangibles	15	-	811,826
Other		-	45,814
Total non-current assets		-	5,307,606
Total assets		5,246,600	39,425,196
Liabilities			
Current liabilities			
Trade and other payables	16	251,192	24,060,597
Provisions	17	-	194,719
Total current liabilities		251,192	24,255,316
Non-current liabilities			
Provisions	18	-	11,516
Total non-current liabilities		-	11,516
Total liabilities		251,192	24,266,832
Net assets		4,995,408	15,158,364
Equity			
Issued capital	19	163,083,293	162,112,809
Reserves	20	-	736,181
Accumulated losses	21	(158,087,885)	(147,690,626)
Total equity		4,995,408	15,158,364

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

Ensogo Limited
Statement of changes in equity
For the year ended 31 December 2016

Consolidated	**Issued capital $**	**Foreign currency reserve $**	**Retained profits $**	**Total equity $**
Balance at 1 January 2015	108,995,054	(788,686)	(67,933,211)	40,273,157
Loss after income tax expense for the year	-	-	(79,757,415)	(79,757,415)
Other comprehensive income for the year, net of tax	-	1,524,867	-	1,524,867
Total comprehensive income for the year	-	1,524,867	(79,757,415)	(78,232,548)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (Note 19)	53,117,755	-	-	53,117,755
Balance at 31 December 2015	162,112,809	736,181	(147,690,626)	15,158,364

Consolidated	**Issued capital $**	**Foreign currency Reserves $**	**Retained profits $**	**Total equity $**
Balance at 1 January 2016	162,112,809	736,181	(147,690,626)	15,158,364
Loss after income tax expense for the year	-	-	(10,397,259)	(10,397,259)
Other comprehensive income for the year, net of tax	-	(736,181)		(736,181)
Total comprehensive income for the year	-	(736,181)	(10,397,259)	(11,133,440)
Share-based payments:				
Share-based payments	970,484	-	-	970,484
Balance at 31 December 2016	163,083,293	-	(158,087,885)	4,995,408

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

	Note	Consolidated 2016 $	Consolidated 2015 $
Cash flows from operating activities			
Receipts from customers		33,413,190	116,422,746
Payments to suppliers and employees		(55,854,540)	(146,227,715)
		(22,441,350)	(29,804,969)
Interest received		147,220	285,825
Net cash used in operating activities	32	(22,294,130)	(29,519,144)
Cash flows from investing activities			
Payments for property, plant and equipment		(166,747)	(289,594)
Payments for intangibles		-	(206,611)
Proceeds from disposal of property, plant and equipment		23,065	3,635
Cash outflow on loss of control of subsidiaries		(1,322,229)	-
Net cash used in investing activities		(1,465,911)	(492,570)
Cash flows from financing activities			
Proceeds from issue of shares and other equity securities	19	-	54,470,963
Share issue transaction costs		-	(1,803,120)
Net cash from financing activities		-	52,667,843
Net increase/(decrease) in cash and cash equivalents		(23,760,041)	22,656,129
Cash and cash equivalents at the beginning of the financial year		29,006,641	6,350,512
Cash and cash equivalents at the end of the financial year	8	5,246,600	29,006,641

The cash movements comprise cash flows of both continuing and discontinued operations.

Note 1. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Going concern
In the year ended 31 December 2016 the Group incurred a loss after income tax of $10,397,259 and had net cash outflows from operations of $22,294,130. As at 31 December 2016 the Group had net current assets of $4,995,408 which includes cash and cash equivalents of $5,246,600.

On 17 June 2016, the Company requested that the Australian Securities Exchange place all its securities in a Trading Halt pending the release of a material announcement. Subsequently, on 20 June 2016 the Company informed its Asian operating subsidiaries that it was withdrawing financial support and that it believed that the withdrawal of such support would require the entities to seek voluntary administration or liquidation. On 21 June 2016, the Company requested that its securities be suspended from official quotation in accordance with Listing Rule 17.2 until the Company was in a position to satisfy the requirements of the Listing Rules for reinstatement of its securities to trading.

On 1 August 2016, the Company announced that it had appointed Ernst & Young Solutions LLP (“EY Solutions”) to coordinate and implement the liquidation of the majority of its subsidiaries which conducted the Company’s flash sales and marketplace businesses in Southeast Asia. In this regard, the Company entered into an engagement agreement with EY Solutions on 26 July 2016 governing the coordination of the liquidation process across all jurisdictions and a deed of guarantee with EY Solutions on 27 July 2016 (“Deed”) for the funding of the winding up process and coordination in the region. The total payable under the Deed by the Company is capped at SGD 1,000,000 (approximately AUD 926,000).

The withdrawal of financial support for its Asian operating subsidiaries followed progressively by the loss of management control as liquidators or administrators were appointed for each respective entity, means that the Company no longer has any active consumer-facing operations or control over the timing of the various winding-up processes. Refer to Note 7 for further information regarding the discontinued operations.

As a result of the withdrawal of that support, all operations of the subsidiaries have ceased and the subsidiaries no longer have any operational employees. All operating subsidiaries are in the process of being liquidated resulting in a loss of control by the Company (refer to Note 7 for the detailed status for each entity). Due to the ongoing liquidation of these entities, the associated loss of control and the subsidiaries no longer having any operational employees, the Ensogo Limited head office team has used financial records, source documentation and supporting information from the subsidiary servers and associated IT systems to prepare the consolidated financial statements for the year ended 31 December 2016.

The Company has offset liabilities to the subsidiaries of $4,904,770 against receivables from the subsidiaries of $92,097,167; the net receivable of $87,192,397 has been fully impaired (see Note 7).

There is uncertainty related to the time taken, costs to be incurred, and other potential liabilities the Company may be required to fund as the subsidiaries are liquidated. However, the Company does not believe it has any obligations to provide financial support to these Asian operating subsidiaries and no claims, demands or requests for support have been received at the current time. Accordingly, a provision for any potential obligations has not been recognized at 31 December 2016.

The continuing viability of the Company and its ability to continue as a going concern and meet its commitments as they fall due is dependent upon the following events occurring:

- Completion of the liquidation processes of the subsidiaries without the need for the Company to make material additional contributions; and

- Offsetting $4,904,770 liabilities of the Company to the subsidiaries against the receivable balances held by the Company from these subsidiaries of $92,097,167 without any requirement to settle these liabilities.

Note 1. Significant accounting policies (continued)

As a result of these matters, there is material uncertainty which may cast significant doubt on the Company’s ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

While the Board of Directors continues to actively evaluate various paths forward available to the Company, including potential merger and acquisitions activity or a return of capital to shareholders, the Directors believe the preparation of the financial statements on a going concern basis remains appropriate as the Group has net current assets of $4,995,408 which includes cash and cash equivalents of $5,246,600 which they believe to be sufficient to support operations until a decision on the future path of the company can be determined.

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

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 29.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Ensogo Limited ('company' or 'parent entity') as at 31 December 2016 and the results of all subsidiaries for the year then ended. Ensogo Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

In preparing the consolidated financial information, all inter-company balances and transactions, income and expenses and profit and losses resulting from intra-group transactions, have been eliminated in full. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. The financial information of subsidiaries is prepared for the same reporting period as the parent using consistent accounting policies. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

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

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

Note 1. Significant accounting policies (continued)

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

Foreign currency translation
Ensogo Limited's functional currency is Australian dollars. The functional currency of the Ensogo subsidiaries in Malaysia is the Ringgit, Hong Kong is the Hong Kong $, Singapore is Singapore $, Philippines Peso (PHP), Thai Baht (THB) and Indonesian Rupiah (IDR). For the purposes of the consolidated financial statements of Ensogo Limited, the results and financial position of each entity is expressed in Australian Dollars, which is the presentation currency for the consolidated financial statements.

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

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

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

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable. The consolidated entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the consolidated entity and the specific criteria have been met for each of the group's activities described below.

The consolidated entity assesses its revenue arrangements against specific criteria to determine if it is acting as the principal or the agent. This determination requires judgement and consideration of all relevant facts and circumstances. A principal recognises the gross sales price. Whereas for an agent, the amounts collected on behalf of the principal is not revenue. Instead, revenue is the amount of commission.

An entity is acting as a principal when it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services. Features that indicate that the entity is acting as a principal include:
(a) the entity has the primary responsibility for providing the goods or services to the customer or for fulfilling the order,
(b) the entity has inventory risk before or after the customer order, during shipping or return,
(c) the entity has latitude in establishing prices, either directly or indirectly, for example by providing additional goods or services, and
(d) the entity bears the customer's credit risk for the amount receivable from the customer.

The entity is acting as an agent when it does not have exposure to the significant risks and rewards associated with the sale of goods or the rendering of services.

Sale of goods
Product revenue represents revenue from the sale of products where it is determined the entity is the principal. Product sales, net of return allowances, are recorded when the products are sold and the significant risks and rewards of ownership of the goods are transferred to the buyer at the point of dispatch.

Rendering of services
Services revenue represent third-party seller fees earned (including commissions), and non-retail activities such as advertising services. Services revenue, net of refund allowances, is recognised when services have been rendered.

Return and refund allowances, which reduce revenue, are estimated using historical experience. Revenue from product sales and services rendered is recorded net of sales and consumption taxes.

Note 1. Significant accounting policies (continued)

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

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

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

Discontinued operations
A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

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

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

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

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

Note 1. Significant accounting policies (continued)

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

Trade and other receivables
Trade and other receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when there is objective evidence that collection of the full amount is no longer probable. Bad debts are written off when identified.

Inventories
Inventories, consisting of products available for sale, are primarily accounted for using the FIFO method, and are valued at the lower of cost or net realisable value. This valuation requires the company to make judgements, based on currently-available information, about the likely method of disposition and expected recoverable values of each disposition category. Where third party sellers use our websites to transact directly with customers, the third party sellers maintain ownership of their inventory, and therefore these products are not included in the inventory of the entity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Investments and other financial assets
Investments and financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired or originated.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

All regular way purchases and sales of financial assets are recognised on the trade date i.e., the date that the consolidated entity commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the entity has transferred substantially all the risks and rewards of ownership. If the entity neither retains nor transfers substantially all of the risks and rewards, it derecognises the asset if it has transferred control of the assets.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets, principally equity securities that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised in other comprehensive income through the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets
The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

Note 1. Significant accounting policies (continued)

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised in other comprehensive income through the available-for-sale reserve.

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

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

Leasehold improvements	20 - 50%
Fixture & fittings	10 - 20%
Computer equipment	20 - 33%
Office equipment	20%

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

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Intangible assets
Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Significant costs associated with these intangibles are amortised on a straight-line basis over the period of their expected benefit. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated profit and loss statements in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit (CGU) level. The CGUs identified are the businesses in which the intangible assets form part. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Note 1. Significant accounting policies (continued)

Goodwill
Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the consolidated entity's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Customer lists and brand names
Customer lists and brand names acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being 3 years.

Other finite life intangibles
Significant costs associated with software, intellectual property and domain names are deferred and amortised on a straight-line basis over the period of their expected benefit, being 5 years.

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

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

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 - 60 days of recognition.

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

Note 1. Significant accounting policies (continued)

Employee benefits
Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees’ services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expect future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

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

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

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

Issued capital
Ordinary shares are classified as equity issued and paid up capital is recognised at the fair value of the consideration received by the Company.

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

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

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

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

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

Note 1. Significant accounting policies (continued)

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

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

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of

(i) 12 months from the date of the acquisition; or
(ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

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

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

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

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

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2016. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Note 1. Significant accounting policies (continued)

AASB 9 Financial Instruments and its consequential amendments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 January 2018 and the adoption is unlikely to have a material impact to the consolidated entity.

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The adoption of the new standard from 1 January 2018 will not have a material impact on the consolidated entity.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The adoption of the new standard from 1 July 2019 will not have a material impact on the consolidated entity.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The significant judgements and assumptions applied by the Company in the preparation of the 2016 financial statements are discussed below:

Loss of control over subsidiaries
Control exists when a parent entity is exposed to, or has rights to, variable returns from its involvement with a subsidiary and has the ability to affect those returns through its power to direct activities of subsidiaries. On 21 June 2016, the Company announced that it would no longer provide support to the foreign operations and the operating subsidiaries were progressively placed into liquidation. The Company has determined that control over the operating subsidiaries passed to the appointed officials of those subsidiaries. The effect on the Company is that it no longer consolidates its Asian operating subsidiaries.

Classification as discontinued operations
A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. As a result of loss of control over the subsidiaries, the Company reclassified all of its operating subsidiaries as discontinued operations. The results of discontinued operations are presented separately in the statement of profit or loss. In distinguishing between the operating assets and liabilities and income and expenses directly attributable to discontinued operations judgements had to be applied. All items of income and expense and assets and liabilities relating to discontinued operations were allocated to the former subsidiaries. All intercompany balances between continuing and discontinued operations have been eliminated. The Company believes that it is able to appropriately offset the liabilities to the operating subsidiaries against the receivables from these subsidiaries. Further details on loss of control in operating subsidiaries and discontinued operations are disclosed in note 7.

The significant judgements and assumptions applied by the Company in the preparation of the 2015 financial statements are discussed below:

Goodwill and other indefinite life intangible assets
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

As a result of the completion of the impairment testing during the prior financial year, based on the higher of value-in-use and fair value less costs to sell calculations, goodwill has been impaired to the recoverable amounts of the cash generating units. Further explanation are disclosed in the intangibles notes to the financial statements in relation to valuation methodologies and assumptions used.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable. The consolidated entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the consolidated entity and the specific criteria have been met for each of the Group's activities described below.

The consolidated entity assesses its revenue arrangements against specific criteria to determine if it is acting as the principal or the agent. This determination requires judgement and consideration of all relevant facts and circumstances. A principal recognises the gross sales price. Whereas for an agent, the amounts collected on behalf of the principal is not revenue. Instead, revenue is the amount of commission.

An entity is acting as a principal when it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services. Features that indicate that the entity is acting as a principal include:
(a) the entity has the primary responsibility for providing the goods or services to the customer or for fulfilling the order
(b) the entity has inventory risk before or after the customer order, during shipping or return,
(c) the entity has latitude in establishing prices, either directly or indirectly, for example by providing additional goods or services, and
(d) the entity bears the customer's credit risk for the amount receivable from the customer.

The entity is acting as an agent when it does not have exposure to the significant risks and rewards associated with the sale of goods or the rendering of services.

Note 3. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into geographical operating segments. These operating segments are based on internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. The consolidated entity operates in only one business segment which is the e-Commerce segment.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity and operating segments are eliminated.

In 2015, the consolidated entity has identified its reportable segments as Hong Kong, Singapore, Malaysia, Thailand, Indonesia and Philippines. Unallocated amounts relate to corporate operations which are not determined to be an operating segment. During the financial year ended 31 December 2016, the Directors decided to discontinue and liquidate the majority of its overseas operations and subsidiaries. As a result of this action, the operating segments previously identified has changed and the majority of consolidated entity's assets and operations are currently held in Australia. As such, the prior year segment structure is no longer relevant or comparable. Refer to Note 7 for further information regarding the discontinued operations.

Note 4. Other income

	Consolidated	
		Restated
	2016	2015
	$	$
Interest income	148,436	539,420

Note 5. Expenses

	Consolidated 2016 $	Consolidated Restated 2015 $
Loss before income tax from continuing operations includes the following specific expenses:		
Depreciation and amortisation		
Depreciation	6,032	4,942
Amortisation	29,240	30,452
Total depreciation and amortisation	35,272	35,394
Employment expenses		
Salaries and wages including other employment related expenses	5,124,073	3,805,505
Impairment of assets	633,518	-

During the year, the Company ceased its operation of flash sales and marketplace businesses in Southeast Asia. The Company also informed its Asian operating subsidiaries that it was withdrawing financial support and that it believed that the withdrawal of such support would require the entities to seek voluntary administration or liquidation. Consequently, the loss of control led to the presentation of its subsidiaries (see Note 7. Discontinued Operations) as a discontinued operation and an impairment charge of $330,830 on intangible assets and $274,516 on other receivables.

Note 6. Income tax benefit

	Consolidated 2016 $	Consolidated Restated 2015 $
Income tax benefit		
Current tax	-	3,739
Deferred tax - reversal of deferred tax liability on amortisation of intangibles	-	(519,642)
Aggregate income tax benefit	-	(515,903)
Income tax benefit is attributable to:		
Profit/(loss) from discontinued operations	-	(515,903)
Aggregate income tax benefit	-	(515,903)
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax expense from continuing operations	(8,124,993)	(3,683,387)
Profit/(loss) before income tax benefit from discontinued operations	(2,272,266)	(76,589,931)
	(10,397,259)	(80,273,318)
Tax at the statutory tax rate of 30%	(3,119,178)	(24,081,995)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Impairment of assets	181,604	14,885,962
Gain on deconsolidation of subsidiaries	(2,813,180)	-
	(5,750,754)	(9,196,033)
Current year tax losses not recognised	5,750,754	6,980,530
Difference in overseas tax rates	-	1,699,600
Income tax benefit	-	(515,903)

Note 7. Discontinued operations

The Company entered into a deed of guarantee with Ernst & Young Solutions LLP on 27 July 2016 (“Deed”) for the funding of the winding-up processes and coordination of the liquidation process for its Asian operating subsidiaries. The total potential payable under the Deed by the Company is capped at SGD 1,000,000, and provides recourse to Ernst & Young Solutions LLP should they not be able to recover agreed upon consideration from the assets of the companies in liquidation.

Additionally, on 1 August 2016 Ensogo Limited entered into an engagement with Ernst & Young (China) Advisory Limited for the funding of the winding-up of Buy Together Technology (Shenzhen) Limited. The fees payable to Ernst & Young (China) Advisory Limited are capped at USD 148,000.

On 20 June 2016 the Company informed its Asian operating subsidiaries that it was withdrawing financial support and that it believed that the withdrawal of such support would require the entities to seek voluntary administration or liquidation. Since the withdrawal of financial support, all Asian operating subsidiaries have progressively entered some form of liquidation and consequently Ensogo Limited no longer retains management control. Therefore these subsidiaries have been presented as discontinued operations at 31 December 2016.

Note 7. Discontinued operations (continued)

Status of the Asian Operating Subsidiaries

Buy Together Hong Kong Limited ("BTHK")
On 28 June 2016, Mr. Stephen Liu Yiu Keung, Ms. Koo Chi Sum and Mr. David Yen Ching Wai all from Ernst & Young Transactions Limited were appointed as the Provisional Liquidators of BTHK by the Court in Hong Kong. BTHK was subsequently ordered to be wound up on 31 August 2016.

Buy Together Retail Limited ("BTRL")
BTRL is a wholly owned subsidiary of BTHK (In Liquidation). The Liquidators are presently deliberating appropriate actions regarding the affairs of BTRL and will determine the timing and structure of its eventual wind-down.

Buy Together Technology (Shenzhen) Limited ("BTSZ")
BTSZ is in the process of completing a solvent liquidation, after which point it will be deregistered. On 24 October 2016, BTSZ initiated a Members' Voluntary Liquidation after receiving confirmation from the relevant government authority, the Market and Quality Supervision Commission of Shenzhen Municipality. On 27 October 2016, BTSZ published an announcement notifying creditors to submit any claims against BTSZ within 45 days and on 12 December 2016, after receiving no claim from any external party against BTSZ, the liquidation committee has commenced the final audit by engaging a local auditor in Shenzhen, China. The liquidation committee is currently liaising with the China State Tax Bureau and Shenzhen Local Tax Bureau for tax clearance and deregistration. After receiving the confirmation of deregistration from the tax Bureaus, the liquidation committee will issue the liquidation report to the Market and Quality Supervision Commission of Shenzhen Municipality for final deregistration.

Ensogo Co. Limited
On 27 July 2016, Ensogo Limited filed an application under the Thai Bankruptcy Act B.E. 2483 with the Bankruptcy Court in Bangkok, Thailand indicating its intention for Ensogo Co. Limited to commence a bankruptcy process. The application was heard by the Bankruptcy Court on 7 November 2016, at which point the Court ordered Ensogo Co. Limited to be placed in absolute receivership and to commence the bankruptcy process.

Dealguru Holdings Pte Ltd (DG") and Deal Travel Pte Ltd ("DT")
On 3 August 2016, Ee Meng Yen Angela and Aaron Loh Cheng Lee of EY Solutions were appointed as Provisional Liquidators of DG and DT. On 17 August 2016, at the Extraordinary General Meeting and creditors' meetings of both DG and DT, the abovementioned officers were formally appointed as liquidators of DG and DT.

Mydeal Sdn Bhd, Livingsocial Malaysia Sdn Bhd, Deal Mates Sdn Bhd and MyDeal Lifestyle & Travel Sdn Bhd
All four Malaysian entities listed above were placed into creditors' voluntary liquidation by a resolution of the creditors passed on the 22 December 2016 and Mr. Duar Tuan Kiat of Ernst & Young has been appointed as Liquidator.

Ensogo Inc.
On 16 August 2016, a Petition for Liquidation was filed on behalf of creditors with the Office of the Clerk of Court in the National Capital Regional Trial Court in Taguig City, Philippines. On October 21, 2016 the Court issued a Liquidation Order which amongst other things ordered the dissolution of the corporation and the transfer of all company assets to the Liquidator. This order was subsequently amended on November 10, 2016 but the substance did not change. The fees for the Liquidator and other legal advice are not included under the deed with Ernst & Young Solutions LLP, and are currently estimated not to exceed approximately PHP 8,800,000 of which there is approximately PHP 3,000,000 remaining to be incurred at December 31 2016.

PT. Living Social ("PTLS")
On October 31, 2016 the shareholders of PTLS in accordance with Article 91 of the Law of the Republic of Indonesia No. 40 of 2007 regarding Limited Liability Companies signed a Circular Resolution in lieu of a General Meeting of Shareholders that resolved amongst other items to (1) to dissolve and liquidate the company (2) approve the application for bankruptcy and (3) appoint Sagita Ridjab Syah & Partners as liquidators. This document was notarized and lodged with the Ministry of Law and Human Rights on December 6 2016 and is expected to be formally accepted within the first quarter of 2017.

Note 7. Discontinued operations (continued)

Financial performance information

	Consolidated 2016 $	Consolidated 2015 $
Revenue	14,707,968	59,336,789
Expenses	(26,357,500)	(135,926,720)
Loss before income tax benefit	(11,649,532)	(76,589,931)
Income tax benefit	-	515,903
Loss after income tax benefit	(11,649,532)	(76,074,028)
Gain on loss of control of the subsidiaries from the deconsolidation of net liabilities	96,569,663	-
Intercompany debt written off	(87,192,397)	
Income tax expense	-	-
Gain on disposal after income tax expense	9,377,266	-
Profit/(loss) after income tax benefit from discontinued operations	(2,272,266)	(76,074,028)
Exchange differences on translation of discontinued operation	(736,181)	-
Other comprehensive income from discontinued operation	(736,181)	-

The Company has offset liabilities to the subsidiaries of $4,904,770 against receivables from the subsidiaries of $92,097,167. The net receivable of $87,192,397 has been fully impaired by the Company.

Cash flow information

	Consolidated 2016 $	Consolidated 2015 $
Net cash used in operating activities	(15,918,195)	(28,307,066)
Net cash used in investing activities	(1,444,810)	(492,570)
Net cash from financing activities	-	27,895,816
Net decrease in cash and cash equivalents from discontinued operations	(17,363,005)	(903,820)

Details on the discontinued operation:

	2016	2015
Consideration received or receivable	-	-
Carrying amount of net liabilities for the discontinued operation	95,833,482	-
Gain before income tax and reclassification of foreign currency translation reserve	95,833,482	-
Reclassification of foreign currency translation reserve	736,181	-
Gain on discontinued operation	96,569,663	-

Note 7. Discontinued operations (continued)

The carrying amounts of assets and liabilities as at date of loss of control are:

	2016 $
Cash and cash equivalent	1,322,228
Trade and other receivables	3,527,259
Inventories	970,262
Plant and equipment	575,036
Total assets	6,394,785
Trade payables	12,974,423
Other payables	2,061,447
Amount owing to related parties	(87,192,397)
Total liabilities	102,228,267
Net liabilities	(95,833,482)

Note 8. Current assets - cash and cash equivalents

	Consolidated	
	2016 $	2015 $
Cash at bank	5,246,600	29,006,641

Note 9. Current assets - trade and other receivables

	Consolidated	
	2016 $	2015 $
Trade receivables	-	1,080,689
Less: Provision for impairment of receivables	-	(204,438)
Other receivables	-	919,010
	-	1,795,261

The trade receivables in prior year were primarily balances outstanding from payment gateways. Payment gateways are e-commerce service providers that authorise payments via credit card and other banking solutions for the group in order to receive payment for goods and services from its customers. Receipts from customers via payment gateways are generally subsequently cleared to the group within one to seven days. There were no past due balance as at 31 December 2016 (2015: Nil) that remain unprovided for.

Note 10. Current assets - inventories

	Consolidated	
	2016 $	2015 $
Stock on hand - at cost	-	1,571,440

Note 11. Current assets - other

	Consolidated 2016 $	Consolidated 2015 $
Prepayments	-	635,663
Other deposits	-	1,108,585
	-	1,744,248

Note 12. Non-current assets - receivables

	Consolidated 2016 $	Consolidated 2015 $
Loans to shareholder	-	2,846,915

On 20 October 2013, prior to acquisition by the Group, Buy Together Hong Kong Ltd, which became a wholly owned subsidiary of the Group on 19 December 2013, made a loan of US $2,300,000 to Middle Kingdom Capital Group (a related party of Kris Marszalek, former Ensogo Chief Executive Officer), a shareholder of the Company. The loan has a fixed interest rate of 2% per annum payable every 3 months from the date of contract agreement. A repayment of US$300,000 was made in December 2013, with the balance of U$2,000,000 to be repaid in four equal instalments of US$500,000 every 3 months commencing March 2016 in the original agreement. However, there was a supplemental deed dated 27 February 2015 signed by both parties to extend the repayment instalments to commence from March 2017. As a result of the liquidation and loss of control of Buy Together Hong Kong Ltd this loan is no longer carried on the books of the consolidated entity.

Note 13. Non-current assets - available-for-sale financial assets

	Consolidated 2016 $	Consolidated 2015 $
Ordinary shares - unquoted	-	685,899

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

	2016 $	2015 $
Opening fair value	685,899	654,296
Exchange differences	-	31,603
Loss of control of assets via discontinued operations	(685,899)	-
Closing fair value	-	685,899

Refer to Note 24 for further information on fair value measurement.

Note 14. Non-current assets - property, plant and equipment

	Consolidated 2016 $	Consolidated 2015 $
Leasehold improvements - at cost	-	1,109,278
Less: Accumulated depreciation	-	(789,458)
	-	319,820
Fixtures and fittings - at cost	-	461,455
Less: Accumulated depreciation	-	(314,010)
	-	147,445
Computer equipment - at cost	-	1,631,153
Less: Accumulated depreciation	-	(1,323,767)
	-	307,386
Office equipment - at cost	-	420,969
Less: Accumulated depreciation	-	(278,468)
	-	142,501
	-	917,152

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

Consolidated	Leasehold improvements $	Furniture, fittings and equipment $	Computer equipment $	Office equipment $	Total $
Balance at 1 January 2015	614,387	171,309	516,870	210,922	1,513,488
Additions	165,543	102,522	110,613	43,178	421,856
Disposals	(36,961)	(7,379)	(23,443)	(8,755)	(76,538)
Reclassification	5,536	-	(8,527)	-	(2,991)
Exchange differences	22,165	8,825	12,555	11,470	55,015
Written off	(195,848)	(32,045)	(32,421)	(25,180)	(285,494)
Depreciation expense	(255,002)	(95,787)	(268,261)	(89,134)	(708,184)
Balance at 31 December 2015	319,820	147,445	307,386	142,501	917,152
Loss of control of assets via discontinued operations	(192,652)	(97,439)	(204,896)	(104,340)	(599,327)
Depreciation expense	(127,168)	(50,006)	(102,490)	(38,161)	(317,825)
Balance at 31 December 2016	-	-	-	-	-

Note 15. Non-current assets - intangibles

	Consolidated 2016 $	Consolidated 2015 $
Goodwill - at cost	-	87,347,741
Less: Impairment	-	(87,347,741)
	-	-
Customer lists - at cost	-	20,590,404
Less: Accumulated amortisation	-	(12,007,587)
Less: Impairment	-	(8,582,817)
	-	-
Brand names - at cost	-	725,000
Less: Accumulated amortisation	-	(414,136)
Less: Impairment	-	(310,864)
	-	-
Other intangibles - at cost	-	1,063,718
Less: Accumulated amortisation	-	(251,892)
	-	811,826
	-	811,826

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

Consolidated	Customer lists $	Brand names $	Goodwill $	Other intangibles $	Total $
Balance at 1 January 2015	14,353,847	514,066	40,371,691	411,771	55,651,375
Additions	-	-	-	542,609	542,609
Disposals	-	-	-	(267)	(267)
Exchange differences	-	-	-	21,631	21,631
Amortisation expense	(5,771,030)	(203,201)	-	(95,219)	(6,069,450)
Impairment of assets	(8,582,817)	(310,865)	(40,371,691)	(27,384)	(49,292,757)
Write off of assets	-	-	-	(44,306)	(44,306)
Reclassification from Property, Plant and Equipment	-	-	-	2,991	2,991
Balance at 31 December 2015	-	-	-	811,826	811,826
Loss of assets via discontinued operations	-	-	-	(782,586)	(782,586)
Amortisation expense	-	-	-	(29,240)	(29,240)
Balance at 31 December 2016	-	-	-	-	-

Impairment Test for Goodwill (2015)

During the 2015 financial year, there were several impairment triggers with regard to the Group’s CGUs, namely the operations in Hong Kong, Thailand, Indonesia, Philippines, Malaysia and Singapore whereby the revenue generated, growth achieved and resulting EBITDA (earnings before interest, tax, depreciation and amortisation) were below expectation in comparison with the forecasted results based on the budget and targets for the period in review. Accordingly, an impairment assessment was carried out on these CGUs to determine their respective recoverable amounts and carrying value of their intangibles and goodwill to the Group.

Note 15. Non-current assets - intangibles (continued)

The recoverable amount of a CGU was determined based on value-in-use calculations which require the use of assumptions. The calculations used cash flow projections based on financial forecasts approved by management covering a five-year period. Cash flows beyond the five-year period have a residual value calculated using the estimated long term growth rates.

Based on the value-in-use calculations for each of the CGUs, the Group determined there was an impairment to the carrying amount of goodwill and intangible assets of these CGUs. The total impairment charge amounted to $49,292,757 arose across these CGUs.

Breakdown by CGUs of impairment charge for the financial year ended 31 December 2015 was as follow:

	Goodwill $	Customer lists $	Brand names $	Other intangibles $	Total $
CGU					
Hong Kong	5,880,479	3,132,940	36,030	-	9,049,449
Thailand	6,632,857	1,739,037	17,272	-	8,389,166
Singapore	14,886,452	349,781	62,777	-	15,299,010
Malaysia	7,955,576	1,800,427	90,799	27,384	9,874,186
Indonesia	1,923,277	606,842	26,287	-	2,556,406
Philippines	3,093,050	953,791	77,699	-	4,124,540
Impairment charge	40,371,691	8,582,818	310,864	27,384	49,292,757

Note 16. Current liabilities - trade and other payables

	Consolidated 2016 $	 2015 $
Trade payables	-	16,039,406
Deferred revenue	-	574,671
Accruals	-	3,830,782
Other payables	251,192	2,629,070
Tax Payable	-	986,668
	251,192	24,060,597

Refer to Note 23 for further information on financial instruments.

Note 17. Current liabilities - provisions

	Consolidated 2016 $	 2015 $
Provisions	-	194,719

Lease make good
The provision represents the present value of the estimated costs to make good the premises leased by the consolidated entity at the end of the respective lease terms.

Note 18. Non-current liabilities - provisions

	Consolidated	
	2016	**2015**
	$	**$**
Make good provision	-	11,516

Lease make good
The provision represents the present value of the estimated costs to make good the premises leased by the consolidated entity at the end of the respective lease terms.

Note 19. Equity - issued capital

	Consolidated			
	2016 Shares	**2015 Shares**	**2016 $**	**2015 $**
Ordinary shares - fully paid	39,128,220	37,566,978	163,083,293	162,112,809

Movements in ordinary share capital

Details	**Date**	**Shares**	**Issue price**	**$**
Balance	1 January 2015	426,069,834		108,995,054
Issue of shares	27 February 2015	59,464,069	$0.11	6,422,119
Issue of shares	24 March 2015	80,000	$0.44	35,200
Issue of shares	24 April 2015	58,823,530	$0.17	10,000,000
Issue of shares	24 April 2015	1,228,051	$0.34	414,713
Issue of shares	29 April 2015	83,000,000	$0.19	15,355,000
Issue of shares	5 June 2015	106,000,000	$0.19	19,610,000
Issue of shares	5 June 2015	16,669,422	$0.19	3,083,843
Consolidation of shares	22 December 2015	(713,767,928)	$0.00	-
Share issue costs		-		(1,803,120)
Balance	31 December 2015	37,566,978		162,112,809
Issue of shares *	22 March 2016	485,242	$2.00	970,484
Employee retention shares **	12 May 2016	1,076,000	$0.00	-
Balance	31 December 2016	39,128,220		163,083,293

* Shares were issued to certain employees for fulfilling contractual performance incentives.

** Shares were offered to selected employees as part of the Ensogo Limited Employee Retention Plan. The shares are subject to a vesting condition that recipients be employed by the Company or a subsidiary as at 1 March 2017. Given the substantial probability that recipients will not be able to satisfy the vesting condition as all material subsidiaries are scheduled to be imminently wound-down, no share-based compensation expense has been recognised.

On 22 December 2015, the issued capital of Ensogo Limited was consolidated on a 20:1 basis, such that every twenty (20) pre-consolidation shares in the Company to be consolidated into one (1) post-consolidation share in the Company and, where the consolidation results in a fraction of a share being held, that fraction was rounded up to the next whole number of shares. Following the consolidation of share exercise, the number of ordinary shares in issue reduced from 751,334,906 to 37,566,978. The consolidation had no material effect on the percentage interest of each individual shareholder in the Company as the consolidation was applied equally to all of the Company's shareholders.

Note 19. Equity - issued capital (continued)

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

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

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

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

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

Note 20. Equity - reserves

	Consolidated 2016 $	Consolidated 2015 $
Foreign currency reserve	-	736,181

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

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

Consolidated	Foreign currency $	Total $
Balance at 1 January 2015	(788,686)	(788,686)
Foreign currency translation	1,524,867	1,524,867
Balance at 31 December 2015	736,181	736,181
Foreign currency translation – recognised to profit or loss	(736,181)	(736,181)
Balance at 31 December 2016	-	-

Note 21. Equity - accumulated losses

	Consolidated 2016 $	2015 $
Accumulated losses at the beginning of the financial year	(147,690,626)	(67,933,211)
Loss after income tax benefit for the year	(10,397,259)	(79,757,415)
Accumulated losses at the end of the financial year	(158,087,885)	(147,690,626)

Note 22. Equity - dividends

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

Note 23. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits.

Market risk

Foreign currency risk

The Group is exposed to foreign currency risk through foreign exchange rate fluctuations where transactions are denominated in foreign currency other than the entity's functional currency. The functional currencies of the Group's subsidiaries are Hong Kong Dollars (HKD) and Singapore Dollars (SGD). As there are no material exposure to foreign currency risk within the financial assets and liabilities outside of each operating entity's functional currency, no sensitivity analysis has been prepared.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

Consolidated	Assets 2016 $	Assets 2015 $	Liabilities 2016 $	Liabilities 2015 $
US$2,000,000 loan to shareholder	-	2,846,915	-	-

Price risk

The consolidated entity is not exposed to any significant price risk.

Interest rate risk

As the Group does not have any long-term borrowings its exposure to interest rate risk is considered to be minimal. In addition, the Group does not hold bank deposits at variable interest rates.

Note 23. Financial instruments (continued)

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

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

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

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

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

Consolidated - 2016	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Other payables	-	251,192	-	-	-	251,192
Total non-derivatives		251,192	-	-	-	251,192

Consolidated - 2015	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	16,614,077	-	-	-	16,614,077
Other payables	-	7,446,520	-	-	-	7,446,520
Total non-derivatives		24,060,597	-	-	-	24,060,597

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

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

Note 24. Fair value measurement

Fair value hierarchy
The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2015	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Ordinary shares - unquoted	-	-	685,899	685,899
Total assets	-	-	685,899	685,899

There were no transfers between levels during the financial year.

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

Valuation techniques for fair value measurements categorised within level 2 and level 3
The unquoted investments are valued at fair value.

Note 25. Key management personnel disclosures

Directors
The following persons were directors of Ensogo Limited during the financial year:

Lucas Elliott	Non-Executive Director
David Gu	Non-Executive Director
Mark Licciardo	Non-Executive Director (Appointed 3 October 2016) and Company Secretary (Appointed 1 January 2016)
Chris Lobb	Non-Executive Director (Appointed 31 December 2016)
Erman Akinci	Non-Executive Director (Resigned 31 December 2016)
Nick Geddes	Non-Executive Director (Resigned 31 December 2016)
Patrick Grove	Non-Executive Director (Resigned 31 December 2016)
Sam Weiss	Non-Executive Director (Resigned 1 October 2016)
Thomas Baum	Non-Executive Director (Resigned 16 June 2016)
Frederique Covington	Non-Executive Director (Appointed 23 March 2016, resigned 20 May 2016)

Other key management personnel
The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Kris Marszalek	Chief Executive Officer (Resigned 21 June 2016)
Rafael Melo	Chief Financial Officer (Resigned 17 October 2016)

Note 25. Key management personnel disclosures (continued)

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

	Consolidated 2016 $	Consolidated 2015 $
Short-term employee benefits	355,943	1,211,570
Post-employment benefits	12,471	13,110
Share based payment – equity settled	200,000	-
Termination benefits	158,131	-
	726,545	1,224,680

	Consolidated 2016 $	Consolidated 2015 $
Remuneration paid to entities related to certain key management personnel		
Mertons Corporate Services Pty Ltd for Mark Licciardo's company secretarial services	60,000	-
Australian Company Secretaries Pty Ltd for Nick Geddes' company secretarial services	-	60,000
	60,000	60,000

Note 26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by PricewaterhouseCoopers, the auditor of the company, and its network firms:

	Consolidated 2016 $	Consolidated 2015 $
Audit services - PricewaterhouseCoopers		
Audit or review of the financial statements	165,000	160,000
Audit services - network firms of PricewaterhouseCoopers Australia		
Audit or review of the financial statements	-	291,271

Note 27. Commitments

Non-cancellable operating leases

The Group leases various offices under non-cancellable operating leases expiring within one to three years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

	Consolidated	
	2016	**2015**
	$	**$**
Lease commitments - operating		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	-	1,209,824
One to five years	-	478,578
	-	1,688,402

Note 28. Related party transactions

Parent entity
Ensogo Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in Note 30.

Key management personnel
Disclosures relating to key management personnel are set out in Note 25 and the remuneration report included in the directors' report.

Transactions with related parties
On 20 October 2013, prior to acquisition by the Group, Buy Together Hong Kong Ltd, which became a wholly owned subsidiary of the Group on 19 December 2013 made a loan of US$2,300,000 to Middle Kingdom Capital Group (a related party of Kris Marszalek, former Ensogo Chief Executive Officer), a shareholder of Ensogo. The loan has a fixed interest rate of 2% per annum payable every 3 months from the date of contract agreement. A repayment of US$300,000 was made in December 2013, with the balance of U$2,000,000 to be repaid in four equal instalments of US$500,000 every 3 months commencing March 2016 in the original agreement. However, there was a supplemental deed dated 27 February 2015 signed by both parties to extend the repayment instalments to commence from March 2017. No repayment was made in financial year 2015. As a result of the liquidation and loss of control of Buy Together Hong Kong Ltd this loan is no longer carried on the books of the consolidated entity.

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

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

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

Note 29. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent 2016 $	Parent 2015 $
Loss after income tax	(22,014,609)	(135,707,764)
Total comprehensive income	(22,014,609)	(135,707,764)

Statement of financial position

	Parent 2016 $	Parent 2015 $
Total current assets	5,246,600	27,354,749
Total assets	5,246,600	27,565,610
Total current liabilities	251,192	1,526,077
Total liabilities	251,192	1,526,077
Equity		
Issued capital	163,083,293	162,112,809
Accumulated losses	(158,087,885)	(136,073,276)
Total equity	4,995,408	26,039,533

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2016 and 31 December 2015.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 31 December 2016 and 31 December 2015.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2016 %	2015 %
iBuy Group Pte Ltd	Singapore	100.00%	100.00%
Buy Together Hong Kong Ltd *	Hong Kong	-	100.00%
Buy Together Retail Ltd *	Hong Kong	-	100.00%
Buy Together Technology (Shenzhen) Ltd *	Hong Kong	-	100.00%
Dealmates Sdn Bhd *	Malaysia	-	100.00%
Dealguru Holdings Pte Ltd *	Singapore	-	100.00%
Deal Travel Pte Ltd *	Singapore	-	100.00%
Mydeal Sdn Bhd *	Malaysia	-	100.00%
My Deal Travel & Lifestyle Sdn Bhd *	Malaysia	-	100.00%
Ensogo Holdings Limited	Hong Kong	100.00%	100.00%
Living Social Malaysia Sdn Bhd *	Malaysia	-	100.00%
Ensogo Company Limited *	Thailand	-	100.00%
Ensogo Inc *	Philippines	-	100.00%
PT Living Social *	Indonesia	-	100.00%

* See Note 7 Discontinued Operations for details of the loss of ownership interest on these entities.

Note 31. Events after the reporting period

No matter or circumstance has arisen since 31 December 2016 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 32. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2016 $	Consolidated 2015 $
Loss after income tax benefit for the year	(10,397,259)	(79,757,415)
Adjustments for:		
Depreciation and amortisation	35,272	6,778,469
Impairment of goodwill	-	40,371,691
Impairment of intangibles	330,830	8,921,066
Income tax benefit	-	(515,903)
Impairment of receivables	274,516	279,396
Inventory write offs	-	351,691
Assets write offs	28,172	259,348
Foreign exchange net unrealised losses	-	1,859,361
Gain on loss of control of the subsidiaries from the deconsolidation of net liabilities	(96,569,663)	-
Other non-cash items included in discontinued operations	89,432,897	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	3,031,652	24,590
Decrease in inventories	601,178	13,211
Decrease in trade and other payables	(9,061,725)	(7,585,007)
Decrease in deferred tax liabilities	-	(519,642)
Net cash used in operating activities	(22,294,130)	(29,519,144)

Note 33. Earnings per share

	Consolidated 2016 $	Consolidated 2015 $
Loss per share from continuing operations		
Loss after income tax attributable to the owners of Ensogo Limited	(8,124,993)	(3,683,387)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	38,631,407	32,181,149
Weighted average number of ordinary shares used in calculating diluted earnings per share	38,631,407	32,181,149
	Cents	**Cents**
Basic earnings per share	(21.03)	(11.45)
Diluted earnings per share	(21.03)	(11.45)

	Consolidated 2016 $	Consolidated 2015 $
Loss per share from discontinued operations		
Loss after income tax attributable to the owners of Ensogo Limited	(2,272,266)	(76,074,028)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	38,631,407	32,181,149
Weighted average number of ordinary shares used in calculating diluted earnings per share	38,631,407	32,181,149
	Cents	**Cents**
Basic earnings per share	(5.88)	(236.39)
Diluted earnings per share	(5.88)	(236.39)

	Consolidated 2016 $	Consolidated 2015 $
Loss per share		
Loss after income tax attributable to the owners of Ensogo Limited	(10,397,259)	(79,757,415)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	38,631,407	32,181,149
Weighted average number of ordinary shares used in calculating diluted earnings per share	38,631,407	32,181,149
	Cents	**Cents**
Basic earnings per share	(26.91)	(247.84)
Diluted earnings per share	(26.91)	(247.84)

Note 34. Contingent liabilities

Corporate guarantee
The Company entered into a deed of guarantee with Ernst & Young Solutions LLP on 27 July 2016 ("Deed") for the funding of the winding up process and coordination of the liquidation process for its Asian operating subsidiaries. The total potential payable under the Deed by the Company is capped at SGD 1,000,000, and provides recourse to Ernst & Young Solutions LLP should they not be able to recover agreed upon consideration from the assets of the companies in liquidation.

Additionally, on 1 August 2016 Ensogo Limited entered into an engagement with Ernst & Young (China) Advisory Limited for the funding of the winding-up of Buy Together Technology (Shenzhen) Limited. The fees payable to Ernst & Young (China) Advisory Limited are capped at USD 148,000.

A provision for these potential obligations has not been recognized as it is currently not practical to estimate the net realizable assets of the entity to be liquidated and the associated costs of liquidation.

Withdrawal of financial support
On 20 June 2016 the Company informed its Asian operating subsidiaries that it was withdrawing financial support and that it believed that the withdrawal of such support would require the entities to seek voluntary administration or liquidation. At that time, the Company has intercompany accounts payable with its subsidiaries of $4,904,770 which has been removed from these financial statements and highlighted here as a contingent liability as the Company does not believe it is likely these obligations will ever be called. The materially larger sum owed by the subsidiaries to the Company, as well as a provision in the Deed above the prevents Ernst & Young Solutions LLP from using such funds for any investigation of the Company in relation to any claims or proceedings against the Company provide the basis of this decision. In general, the Company does not believe it has any obligations to provide financial support to the Asian operating subsidiaries and no claims, demands or requests for support have been received at the current time. Accordingly a provision for any potential obligation has not been recognized at 31 December 2016.

Payments to LivingSocial USA
Under the Transitional Services Agreement entered into between LivingSocial USA and iBuy Group Pte Ltd, a subsidiary of the Company, at the time of the acquisition of the LivingSocial businesses iBuy Group Pte was obligated to pay for certain services from LivingSocial USA as part of the integration of these business into Ensogo Group. LivingSocial USA also made certain representations regarding the financial status of the entities being acquired. Due to a dispute regarding unresolved tax liabilities for Ensogo Inc incurred while LivingSocial USA was the legal owner, transitional services invoices amounting to USD 629,370.00 have never been paid to LivingSocial USA. The Company is actively working with LivingSocial USA to ensure a mutual resolution and release of these obligations that supports the Company's position that these invoices are not valid.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the directors

Mark Licciardo

27 February 2017

Independent auditor's report

To the shareholders of Ensogo Limited

Report on the audit of the financial report

Disclaimer of opinion

We were engaged to audit the financial report of Ensogo Limited and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and 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.

We do not express an opinion on the accompanying financial report of Ensogo Limited (the Company) and its controlled entities (together, the Group). Because of the significance of the matter described in the *Basis for disclaimer of opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on this financial report.

Basis for disclaimer of opinion

As disclosed in Note 1 of the financial report the company has withdrawn financial support to all of its controlled entities. These entities have been placed in liquidation, resulting in a loss of control by the company. As a result of the withdrawal of that support all operations of the controlled entities have ceased and they no longer have any operational employees. These entities were the principal operating entities of the Group and constitute all of the results from discontinued operations (including revenues, expenses and gain on loss of control of subsidiaries as disclosed in Note 7), receipts from customers and 87% of the payments to suppliers for the year ended 31 December 2016.

Due to the ongoing liquidation of the controlled entities and these entities no longer having any operational employees we were unable to access management or sufficient financial information of those entities to obtain sufficient and appropriate audit evidence regarding their operations. As a result, we were unable to determine whether any adjustments were necessary in relation to the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year ended 31 December 2016.

Note 1 also indicates that the continuing viability of the company is dependent on the completion of the liquidation process for these controlled entities without the requirement for the company to make material additional contributions and the ability to offset any liabilities of the company to these entities against the amounts receivable from them. This indicates the presence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

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Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

Our responsibility is to conduct an audit of the financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matter described in the *Basis for disclaimer of opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 7 to 12 of the directors' report for the year ended 31 December 2016.

In our opinion, the remuneration report of Ensogo Limited, for the year ended 31 December 2016 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.

PricewaterhouseCoopers

Jon Roberts
Partner

Melbourne
27 February 2017

Ensogo Limited
Shareholder information
31 December 2016

The shareholder information set out below was applicable as at 10 April 2017.

Distribution of equitable securities

Analysis of numbers of equity security holders by size of holding:

	Total holders of Ordinary Shares	Units
1 to 1000	447	214,469
1,001 to 5000	331	831,702
5,001 to 10,000	88	641,975
10,001 to 100,000	84	2,505,944
100,001 and over	20	34,934,130
	970	**39,128,220**
Holding less than a marketable parcel	350	125,093

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,873,348	20.69
CITICORP NOMINEES PTY LIMITED	6,717,710	17.65
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	4,936,582	12.97
E&A BELINA INVESTMENTS LIMITED	3,806,676	10.00
REBATE NETWORKS GMBH	2,746,942	7.22
MIDDLE KINGDOM CAPITAL GROUP	2,544,419	6.69
CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	1,278,478	3.36
UBS NOMINEES PTY LTD	1,035,185	2.72
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	1,028,685	2.70
MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED	710,659	1.87
MONEX BOOM SECURITIES (HK) LTD <CLIENTS ACCOUNT>	706,275	1.86
ABSOLUTE INVESTMENTS AUSTRALIA PTY LTD	300,000	0.79
CROENI FOUNDATION LTD	200,000	0.53
BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C>	161,923	0.43
NATIONAL NOMINEES LIMITED <DB A/C>	161,086	0.42
PAKASOLUTO PTY LIMITED <BARKL FAMILY SUPER FUND A/C>	156,142	0.41
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	149,278	0.39
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	125,492	0.33
RAFAEL DE MARCO E MELO	100,000	0.26
MAXIMUS FLANNERY PTY LTD <FINCO INVESTMENT A/C>	93,750	0.25
	34,832,630	**91.54**

Substantial holders

Substantial holders in the Company are set out below:

	Number of shares at time notice was given	% of total shares at time notice was given
Catcha Media Group Pte Ltd	5,310,023	14.13%
Vipshop Holdings Limited	2,973,204	12.2%
W F Asian Reconnaissance Fund Limited	3,789,826	10.09%
FIL Limited	3,741,390	9.96%
Middle Kingdom Capital Group	2,544,419	6.77%
Rebate Networks Gmbh	2,702,081	7.33%

Voting rights

The voting rights attaching to each class of equity securities are set out below:

Ordinary shares

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

There are no other classes of equity securities.

Securities subject to voluntary escrow

There is no voluntary escrow in the Group as at 31 December 2016.