IBUYNEW GROUP LIMITED

Appendix 4E

Preliminary final report

Details of reporting period

ABN or equivalent company reference	20 108 958 274
Financial year end ("current period")	30 June 2017
Previous corresponding period	30 June 2016

Results for announcement to market

Financial Results				**June 2017 $**
Revenue	Up	7.36%	to	3,640,115
(Loss) after tax attributable to members	Up	44.77%	to	(3,102,082)
Net loss attributable to members	Up	39.74%	to	(3,213,481)

Dividends
The Directors do not propose that iBuyNew Group Limited will pay a dividend.

Earnings/(loss) per share	**June 2017**	**June 2016**
Basic and diluted loss per ordinary share	(0.311) cents	(0.323) cents

Net tangible asset backing	**June 2017**	**June 2016**
Net tangible asset backing per ordinary share	(0.0004) cents	0.0024 cents

Financial Information – Profit and Loss	**June 2017 $**	**June 2016 $**
Revenue and other income	3,704,765	3,578,467
Operating expenses	(4,888,825)	(3,619,154)
Operating EBITDA	(1,184,060)	(40,687)
One-off and abnormal expenses	(1,673,987)	(1,949,575)
EBITDA	**(2,858,047)**	**(1,990,262)**
NPAT	**(3,102,082)**	**(2,142,708)**
One-off and abnormal expenses in FY17 included share-based (non-cash) payment expense $141,700, bad debts provision $290,173, loss on disposal of assets $88,898, legal fees on investments $53,171, accounting, legal and rent $78,794, capital raising costs $151,000, redundancy costs $50,251, web development $220,000 and impairment of goodwill $600,000. Additional costs saving initiatives effective 1 July 2017 will lead to reduced operational expenditure in excess of c.$700,000 per annum. FY16 comparatives included $1,942,075 relating to joint venture investments and share-based payment expense $7,500.		

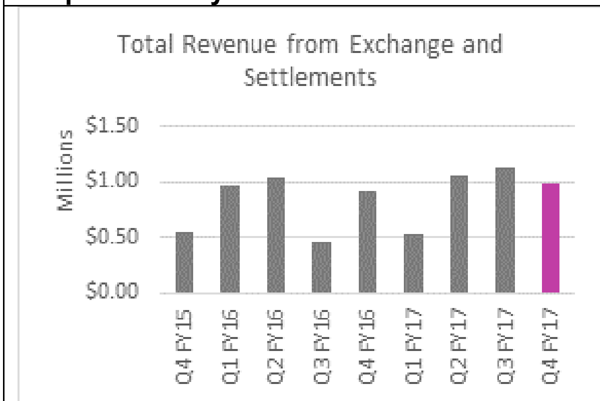
Financial Information – Other	**June 2017 $**	**June 2016 $**
Cash at bank	1,454,915	1,656,756
Future settlement commission income	4,085,053	2,594,496
Future commission receivable relates to income commissions owed relating to historical sales transactions, payable on settlement.		

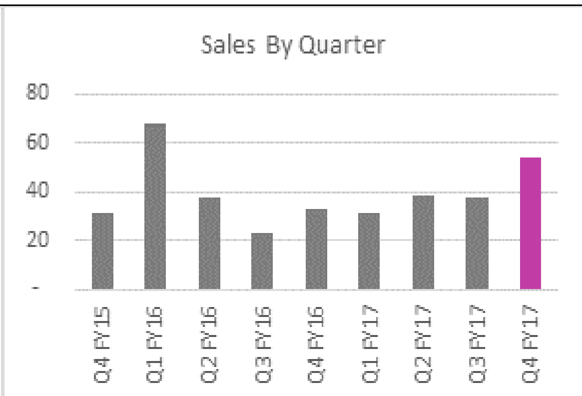
Financial Year Highlights & Commentary

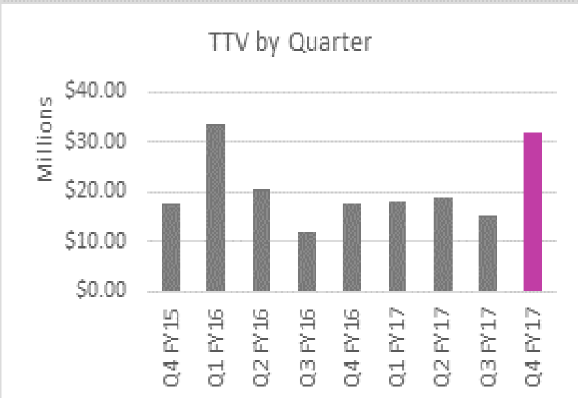
After experiencing strong year-on-year growth and record sales in FY16, IBN invested heavily in technology promoting growth opportunities throughout 1HFY17. The Australian property market began to soften throughout FY17, with new apartment sales displaying inconsistent performance as widely reported across media channels resulting in a reduction of transactions through the IBN e-commerce platform, however leads and visits to our website remain consistent, and with the strategic change in our development stock towards those that are more suited to owner occupiers we believe this will offset in part some of these market challenges. During H2 FY17, the Board implemented a restructure and a cost reduction plan was initiated which is targeted to deliver over c.$700k in annualised net savings from 1 July 2017. Further costs minimisation programs have been initiated following the appointment of the new CEO and include rent reduction, strategic marketing spend, reduction of employment costs transitioning staff to commission only packages and reduction in administration overheads. Despite the softer market conditions, the Group continued to produce positive results which reflect well for FY18 and beyond, finishing with a solid finish in Q4 FY17.

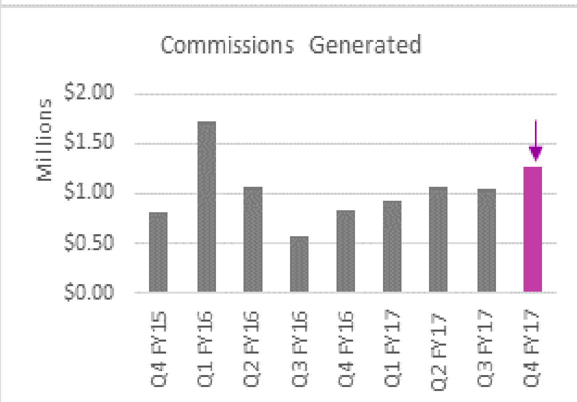
FY17 Group Results	FY17	FY16	% Difference
TTV	$84.02m	$84.70m	(1%)
Sales	163	165	(1%)
Commissions Generated	$4.32m	$4.20m	3%
Total revenue from exchange and settlements	$3.64m	$3.39m	7%

Graphical Analysis of Performance









Other explanatory notes

For further information refer to the review of operations and financial performance contained in the Director's report.

Audit
The financial statements on which this preliminary financial report is based has been audited.

The information required by listing rule 4.3A is contained in both this Appendix 4E and the attached Annual Report.

iBuyNew Group Limited

ABN 20 108 958 274

Financial Report

For the Year Ended 30 June 2017

(formerly Disruptive Investment Group Limited)

CONTENTS

DIRECTOR'S REPORT

The Directors present their report, together with the financial statements of the Group, being iBuyNew Group Limited (formerly Disruptive Investment Group Limited) ("the Company") and the entities it controlled, for the financial year ended 30 June 2017.

1. GENERAL INFORMATION

Information on Directors

The names, qualifications, experience and special responsibilities of each person who has been a Director during the year and to the date of this report are:

Mr Kar Wing Ng	**Chairman (Non-executive)**
Qualifications and Experience	Mr Kar Wing (Calvin) Ng has significant investment banking, mergers and acquisitions and funds management experience. Calvin is a co-founder and Managing Director of the Aura Group, an independent corporate advisory and funds management business. He is also a co-founder and Non-Executive Director of the Finsure Group. Calvin has significant board experience in a number of businesses, with particular expertise in providing management oversight and strategic guidance to small and medium sized enterprises. Calvin currently sits on a number of boards, including entities associated with the Aura Capital Group, Finsure Group and ASX-listed Catapult Group International (ASX:CAT). Calvin holds a Bachelor of Commerce and Bachelor of Laws from the University of New South Wales. Calvin has also completed a Graduate Diploma of Legal Practice and has been admitted to practice as a lawyer in the Supreme Court of New South Wales.
Interest in shares and options	Shares: 916,672 directly held, 34,075,008 indirectly held.
Special responsibilities	None.
Current Directorships	Catapult Group International Limited (ASX:CAT)
Other directorships in listed entities held in the previous three years	None.

Mr Alessandro Caraco	**Managing Director (Chief Executive Officer) (Appointed 22 March 2017)**
Qualifications and Experience	Mr Alessandro (Alex) Caraco is a seasoned professional with over 36 years of experience across the real estate sector, with a particular focus on high volume sales and management. He has successfully operated real estate businesses both in Australia and internationally, and was the former CEO and master franchisor at Coldwell Banker Australia for 11 years demonstrating strong commercial skills with exposure to corporate restructure, mergers and acquisitions. Alex has completed a number of Real Estate franchising and financial analysis courses at both Griffith and Armidale Universities and is a licenced Agent in NSW, QLD and WA.
Interest in shares and options	Shares: 166,670 directly held.
Special responsibilities	Managing Director and Chief Executive Officer.
Other directorships in listed entities held in the previous three years	None.

Mr Andrew Jensen	**Director (Non-executive) (Appointed 1 May 2017)**
Qualifications and Experience	Mr Andrew Jensen is an experienced finance professional with over 15 years' experience in senior finance and management roles. He has extensive knowledge in the management of all aspects of the finance function with strong commercial, strategic, mergers and acquisitions, and change management experience. Andrew has financially led companies engaged in various fields including telecommunications and technology, real estate, financial services and the franchising sectors both in Australia and internationally. This included being Director and CFO of Australasia's largest real estate group Ray White, with over $20 billion in annual sales and one of Australia's largest independent mortgage broking business, The Loan Market. Andrew is currently a Non-executive Director and Chair of the Audit and Risk Committee of ASX-listed Freedom Insurance Group Limited (ASX:FIG).
Interest in shares and options	Shares: 6,418,889 directly and indirectly held.
Special responsibilities	None.
Other directorships in listed entities held in the previous three years	Freedom Insurance Group Limited (ASX:FIG)
Other	Former Chief Financial Officer and Executive Director of iBuyNew Group Limited. (Resigned 1 May 2017).
Mr John Kolenda	**Director (Non-executive) (Resigned 22 March 2017)**
Qualifications and Experience	Mr John Kolenda is the Co-Founder and Managing Director of the Finsure Group one of Australia's largest mortgage broking and financial planning groups. John also jointly founded X Inc. in 2004 and, following its merger with the mortgage broking operations of Ray White in late 2007 was an Executive Director of the merged entity Loan Market Group, comprising X Inc. Finance, Loan Market and realestate.com.au Home Loans. Prior to X Inc, John spent 10 years with Aussie Home Loans in the capacity of general sales manager. John also has extensive private equity experience in property, finance, insurance and the food and beverage sector. John serves as a Director of several companies including Aura Capital Group, Freedom Insurance and Spectrum Wealth.
Interest in shares and options	Shares: 22,805,000 indirectly held (at date of resignation).
Special responsibilities	None.
Other directorships in listed entities held in the previous three years	None.
Dr Adir Shiffman	**Director (Non-executive) (Resigned 2 March 2017)**
Qualifications and Experience	Dr Adir Shiffman has extensive CEO and board experience in the technology sector having built and sold more than half a dozen technology companies and his expertise lies in developing growth strategies, assisting management in executing on these strategies, with extensive merger, acquisition and restructuring experience. Adir currently sits on a number of boards, including as the Executive Chairman of ASX-listed Catapult Group International (ASX:CAT), and is an investor in technology start-ups. Adir graduated from Monash University in 1999 with a Bachelor of Medicine and a Bachelor of Surgery. Prior to becoming involved in the technology sector, he practised as a doctor.
Interest in shares and options	Shares: 200,000 directly held, 23,675,000 indirectly held (at date of resignation).
Special responsibilities	None.
Other directorships in listed entities held in the previous three years	Catapult Group International Limited (ASX:CAT)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

Mrs Aliceson Rourke	Appointed 1 May 2017.
Qualifications	B. Com, University of Wollongong, Graduate Diploma of Applied Corporate Governance, Member of The Institute of Chartered Accountants Australia and New Zealand.
Experience	Experienced Chartered Accountant and Company Secretary. Extensive experience in all aspects of public company finance, administration and governance including listings on the Australian Stock Exchange, public capital raisings, and capital restructures, mergers and acquisitions.
Mr Anand Sundaraj	Appointed 12 June 2015. Resigned 30 June 2017.
Experience	Anand is a lawyer and principal with Whittens & McKeough, a commercial law firm based in Sydney. Anand specialises in mergers & acquisitions and capital raisings for both publicly listed and privately held entities. He also advises on funds management and general securities law matters including ASX Listing Rules compliance. Prior to joining Whittens, Anand worked for international law firms Allen & Overy, King & Wood Mallesons and Herbert Smith Freehills as well as for global investment bank Credit Suisse.

Principal activities and significant changes in nature of activities

The principal activities of the Group during the financial year were:

- following the acquisition of the remaining 50% of FSA, the commercial development and operation of an online e-commerce platform, iBuyNew.com.au which allows prospective buyers to compare, reserve and buy from more than 6,250 apartment listings across 220 developments in addition to a range of new house and land packages; and

- following the acquisition of Nyko Property, a research and advisory firm in October 2016, sales are generated through its B2B intermediaries and corporate partnerships. Nyko provides additional distribution channels to iBuyNew.com.au and, in addition, the content provided by Nyko (particularly in the form of research) is expected to improve iBuyNew.com.au's conversion rates.

There were no other significant changes in the nature of the Group's principal activities during the financial year.

2. OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

Review of Financial Results

The consolidated loss for the Group increased by 44.77% to $3,102,082 after providing for income tax (2016: $2,142,708 loss). Revenue increased by 7.36% to $3,640,115 compared to (2016: $3,390,542). The net assets of the Group at 30 June 2017 were $1,432,822 (2016: $3,637,397) while current assets increased to $2,968,249 (2016: $2,063,700).

The results included a number of one-off expenses that were required in compliance with IFRS and Australian Accounting Standards. This included an impairment adjustment of $600,000 relating to the goodwill on acquisition of iBuyNew Pty Ltd and Nyko Property Australia Pty Ltd.

The Board considers that both these investments are valuable and will contribute strongly to positive shareholder returns in future financial periods and continue to be an important part of the Groups strategic technology play, however given recent market concerns over the Australian property market the Board have taken a conservative and prudent approach in recognising potential impairment.

In addition, a one-off expense relating to doubtful debts of $290,173 was recognised as a result of an intermediary dispute with a developer that has delayed payment. Other adjustments included the write-off of the lease incentive and capitalised office fit-out costs $88,898, share-based payment expense of $141,700 on recognition of performance rights approved by shareholders in October 2016 and revaluation of the convertible note $15,520.

As previously announced, the Board remains focused on measured and strategic actions to strengthen the Group's financial position. During H2 FY17, the Board implemented a restructure and a cost reduction plan was initiated which is targeted to deliver over c.$700,000 annualised net savings from 1 July 2017. Further costs minimisation programmes have been initiated following the appointment of the new CEO and include rent reduction, strategic marketing spend, reduction of employment costs transitioning staff to commission only packages and reduction in administration overheads.

Strategic Developments

During FY17, the Board and management of the Company continued to remain focused on being an owner, developer and operator of retail, franchise or e-commerce brands. In relation to the Company's investments in the iBuyNew.com.au and Nyko Property brands, the Company focused on the long-term strategy of creating a leading global platform for new property distribution and continuing to explore other complimentary technology acquisitions. The iBuyNew brand has continued to grow in national prominence with enhancements made to the iBuyNew e-commerce platform.

During the year, the Group through iBuyNew launched its e-commerce platform with customers able to complete the reservation process entirely online, without the need for manual intervention. This represented a significant event for both iBuyNew and the property industry, both in Australia and potentially globally.

The Group will seek to develop this platform further potentially commercialising the technology with the support of government funding initiatives such as AusIndustry's research and development programs and the acquisition of revenue generating assets such as the proposed Indo-Pacific Property asset acquisition announced on 22 August 2017.

The Board is continuing to undertake due diligence on potential complimentary acquisitions to evaluate both the strategic, technological and commercial fit in order to understand the opportunities and risks associated with these acquisitions and will report to the market and shareholders the outcomes in due course.

Operational Performance

The Australian property market continued to soften throughout FY17, with new apartment sales displaying inconsistent performance as widely reported across media channels resulting in a reduction of transactions through the IBN e-commerce platform. Management remained focused on driving sales and distribution growth leveraging iBuyNews' unique proprietary platform and multi-channel distribution strategy, which has been further strengthened through the acquisition of Nyko Property.

Despite the current market uncertainty, the Group continued to produce positive results which reflect well for FY18 and beyond, finishing well with a solid finish in Q4 FY17.

FY17 Group Results	FY17	FY16	% Difference
Total Transaction Value (TTV)	$84.02m	$84.70m	(1%)
Sales	163	165	(1%)
Commissions Generated	$4.32m	$4.20m	3%
Total gross revenue from exchange and settlements	$3.64m	$3.39m	7%

The current uncertainty displayed in the market has led the Group to rethink its traditional revenue streams in order to support its future performance and to allow the future commercialisation of its propriety technology. The Company remains focused on enhancing the IBN platform through developer relationships, distribution reach and improving sales performance.

The Group continues to see consistent demand from developers and partners for its direct-to-consumer offering and is leveraging that demand to support its marketing expenditure with the Group working with more than 200 developers and partners across New South Wales, Western Australia, South Australia, Victoria and Queensland.

The changing market conditions have resulted in developers providing increased incentives across metropolitan and regional centres for consumers and the Group has aggressively started pursuing developer funded campaigns resulting in an increased leads database to currently over 90,000 clients. As a result, our technology based e-commerce platforms and initiatives are driving sales at a lower cost per lead resulting in increased commissions and average sales values.

Relationships with developers has increased inventory on offer to over 6,250 properties and we continue to expand and improve our e-commerce platform offering to both partner agencies and channel partners. New e-commerce opportunities such as iSelect are on offer and relationships continue to blossom with reputable firms such as Mortgage Choice and Finsure who continue to work successfully with our recently acquired B2B business Nyko. Sales have started to show increased vibrancy as a result of the direct marketing seminars held around the country promoting B2B relationships and services.

The Group will continue to explore, refine and develop opportunities relating to distribution partnerships and direct-to-customer sales, to strengthen the existing fundamentals of iBuyNew, Nyko and future acquisitions in order to drive the technology commercialisation and deliver shareholder returns. The Board firmly believes these strategic initiatives, together with a consistent cost management programme, will position the Group well for the future.

3. OTHER ITEMS

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the entities in the Group during the year.

Dividends paid or recommended

The Company has not paid or declared any dividends during the financial year (2016: Nil).

Events since the end of the financial year

On 22 August 2017, the Group announced that it has entered into an Asset Sale Agreement to purchase the assets of a leading Western Australian real-estate project marketing business Indo-Pacific Property (IPG). The assets purchased from Indo-Pacific Property include a $2.6m future commissions receivable book, a property management business & rent roll and all associated brand and intellectual property.

Under the transaction terms, the Company will issue the vendors $625,000 in IBN shares at $0.003 per share over two tranches, upfront consideration of 166,666,667 shares and deferred consideration of 41,666,666 shares subject to transition milestones and pay the vendor 50% of the commissions received by IBN from the future commissions receivable book in excess of $250,000.

Completion of the transaction is subject to the satisfaction of various conditions including regulatory and licensing approvals and confirmations.

In addition, as part of the transaction, Executive Chairman of IPG and McRae Investments, Stephen Quantrill will join the IBN board. Completion of the sale is subject to the satisfaction of various conditions including regulatory and licensing approvals and confirmations.

On 30 August 2017, the Company went into voluntary suspension in accordance with ASX Listing Rule 17.2 pending a decision by the ASX on the application of Listing Rule 11 to the proposed acquisition of the assets of IPG.

Apart from the matters noted above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely developments and expected results of operations

The Group is focused on maximising market penetration and increasing sales through both the iBuyNew.com.au e-commerce sales platform and Nyko’s relationships with B2B intermediaries and corporate partnerships.

If the acquisition of assets from IPG (including the $2.6m future commissions receivable book) is completed, the resulting combined IBN gross future receivables book of $6.58m will be accretive to IBN’s revenue and earnings and is expected to generate material synergies allowing IBN to develop its e-commerce platform and generate supporting revenue through expansion into property management and expanding both its national and international footprint and relationships.

Disclosure of information regarding likely any other future developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.

Environmental regulations

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

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 Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

Indemnification and insurance of officers and auditors

During the financial year, the Group paid a premium to insure the Directors and officers of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that maybe brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities (other than legal costs) that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

During or since the end of the financial year, the Group has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums in favour of its Directors as follows:

- subject to the Corporations Act 2001, an indemnity in respect of liability to persons other than the Company and its related bodies corporate, that they may incur while acting in their capacity as an officer of the Company or a related body corporate, except for specified liabilities where that liability involves a lack of good faith or is for legal costs for defending certain legal proceedings; and

- the requirement that the Group maintain appropriate directors' and officers' insurance for the officer.

No liability has arisen under these indemnities as at the date of the report.

There is no indemnity cover in favour of the auditor of the Group during the financial year.

Non-audit services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group is important and relevant where the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110*: Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

There were no additional services provided by Stantons during the year apart from those disclosed at Note 7 for the year ended 30 June 2017.

SIC class order 98/100 rounding of amounts

The Company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and directors' report have been rounded to the nearest dollar, unless otherwise indicated.

Meetings of Directors

Four formal meetings of the Directors were held during the financial year with an additional twelve meetings conducted via electronic means and circular resolutions:

	Directors' Meetings	
	Number eligible to attend	**Number attended**
Mr Calvin Ng	16	14
Mr Andrew Jensen	16	16
Mr Alex Caraco	6	5
Mr John Kolenda	14	11
Dr Adir Shiffman	9	8

Shares under option

There were no unissued ordinary shares of the Company under option at the date of this report. No shares were issued on the exercise of options during the financial year ended 30 June 2017. No further shares have been issued or options since 30 June 2017.

4. REMUNERATION REPORT (AUDITED)

The remuneration report details the key management personnel remuneration agreements for the Group in accordance with the requirements of the Corporations Act 2001 and its regulations.

The information provided in this remuneration report has been audited as required by section 308 (3C) of the Corporations Act 2001.

The key management personnel of the Group for the year consisted of the following Directors of iBuyNew Limited:

Name of Director	Position	Date Appointed	Date Ceased
Mr Calvin Ng	Non-executive Chairman	1 February 2013	Current
Mr Andrew Jensen	Non-executive Director	12 September 2014	Current
Mr Alex Caraco	CEO and Managing Director	22 March 2017	Current
Mr John Kolenda	Non-executive Director	1 February 2013	22 March 2017
Dr Adir Shiffman	Non-executive Director	1 February 2013	2 March 2017

Principles used to determine the nature and amount of remuneration

The performance of the Group depends on the quality of its directors and executives.

To prosper, the Group must attract, motivate and retain highly skilled directors and executives. To this end, the Group embodies the following principles in its remuneration framework:

- provide competitive rewards to attract high calibre executives; and
- establish appropriate performance hurdles in relation to variable executive remuneration.

The Board assesses the appropriateness of the nature and amount of remuneration of directors and senior managers of the Group on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Group performance and link to remuneration

At the Annual General Meeting held on 31 October 2016, shareholders approved the issue of 7,500,000 performance rights in three tranches to Calvin Ng, Andrew Jensen, John Kolenda and Adir Shiffman or their nominees respectively. The performance rights need to be issued within twelve months of receiving shareholder approval at the meeting. At the date of this report, they have not yet been issued.

In order to exercise the performance rights, there are two performance conditions that will work on an either-or-basis, as set out below:

- **Tranche 1 (1/3rd of grant):** either the 30-day volume weighted average of IBN’s Share price in the six months prior to vesting equals or exceeds $0.025 or EBITDA (audited) for FY16, FY17, FY18 or FY19 equals or exceeds A$3 million.
- **Tranche 2 (1/3rd of grant):** either the 30-day volume weighted average of IBN’s share price in the six months prior to vesting equals or exceeds $0.03 or EBITDA (audited) for FY16, FY17, FY18 or FY19 equals or exceeds A$3 million.
- **Tranche 3 (1/3rd of grant):** On or before, 1 July 2019, either the 30-day volume weighted average of IBN’s share price in the six months prior to vesting equals or exceeds $0.036 or EBITDA (audited) for FY16, FY17, FY18 or FY19 equals or exceeds A$3 million.

Provided that the Performance Conditions have been satisfied, then each tranche of Performance Rights can be exercised into fully paid ordinary shares after each Vesting Date up until 30 September 2019 (expiry date). Further, the vesting conditions for the Performance Rights depends on the Directors meeting the service vesting condition (i.e. they must be Directors of IBN at the vesting date). As John Kolenda and Adir Shiffman ceased as Directors during the year ended 30 June 2017, their performance rights have lapsed.

The Board is of the opinion that the continued improved results can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

The table below details the last three years earnings and total shareholders return.

	\$ 2017	\$ 2016	\$ 2015
Revenue	3,640,115	3,390,542	109,175
EBITDA	(2,858,047)	(1,990,262)	(127,184)
EBIT	(2,820,446)	(2,040,254)	(146,204)
Loss after income tax	(3,102,082)	(2,142,708)	(108,580)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	\$ 2017	\$ 2016	\$ 2015
Share price at financial year end	0.003	0.0126	0.0135
Total dividends declared	-	-	-
Basic earnings per share	(0.311)	(0.323)	(0.023)

Remuneration structure

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

Non-executive director remuneration

Objective

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain directors of the highest calibre, while incurring costs that are acceptable to shareholders.

Structure

Each Non-executive director receives a fixed fee for being a Director of the Group.

The Constitution and the ASX Listing Rules specify that the maximum aggregate remuneration of Non-executive directors shall be determined from time to time by a general meeting of shareholders. As documented in the 6 February 2013 prospectus, the total maximum amount of remuneration of non-executive directors is set at \$500,000. In 2017, the Group paid Non-executive directors a total of \$241,275 (\$237,059 in 2016).

The amount of aggregate remuneration sought to be approved by shareholders and the fixed fees paid to directors are reviewed annually. The Board considers fees paid to Non-executive directors of comparable companies when undertaking the review.

Executive remuneration

Objective

The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group and to:

- reward executives for Group and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders; and
- ensure total remuneration is competitive by market standards.

Structure

A policy of the Board is the establishment of employment or consulting contracts with the Chief Executive Officer and other senior executives. Remuneration consists of fixed remuneration under an employment or consultancy agreement and may include long term equity-based incentives that are subject to satisfaction of performance conditions.

Details of these performance conditions are outlined in the equity based payments section of this remuneration report. The equity-based incentives are intended to retain key executives and reward performance against agreed performance objectives.

Fixed remuneration

The level of fixed remuneration is set to provide a base level of remuneration that is both appropriate to the position and competitive in the market. Fixed remuneration is reviewed annually by the Board and the process consists of a review of Group-wide and individual performance, relevant comparative remuneration in the market, and internal and (where appropriate) external advice on policies and practices.

Senior executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and expense payment plans, such that the manner of payment chosen is optimal for the recipient without creating additional cost for the Group.

Remuneration policy and performance

Other than the Chief Executive Officer, none of the other executive's remuneration is at risk' remuneration. Refer below for further information on Mr Caraco's remuneration.

Remuneration details for the year ended 30 June 2017

Details of the remuneration of the Directors and key management personnel of the Group (as defined in AASB 124 Related Party Disclosures) and the highest paid executives of iBuyNew are set out in the following tables.

	Short-term benefits		Post-employment benefits	Share based payments	
	Salary and fees	Non-monetary benefits	Superannuation	Other	Total
2017	**$**	**$**	**$**	**$**	**$**
Directors					
Non-executive directors					
Calvin Ng	52,500	-	-	35,425	87,925
Andrew Jensen	-	-	-	-	-
John Kolenda	42,500	-	-	35,425	77,925
Adir Shiffman	40,000	-	-	35,425	75,425
Total non-executive directors	**135,000**	**-**	**-**	**106,275**	**241,275**
Executive directors and key management					
Alex Caraco	86,404	-	-	-	86,404
Mark Mendel	249,676	-	17,521	-	267,197
Andrew Jensen	270,113	-	21,770	35,425	327,308
	741,193	**-**	**39,291**	**141,700**	**922,184**

2016	Short-term benefits Salary and fees $	Non-monetary benefits $	Post-employment benefits Superannuation $	Share based payments Other $	Total $
Directors					
Non-executive directors					
Calvin Ng	58,000	4,543	-	-	62,543
Andrew Jensen	37,387	4,543	-	7,500	49,430
John Kolenda	58,000	4,543	-	-	62,543
Adir Shiffman	58,000	4,543	-	-	62,543
Total non-executive directors	**211,387**	**18,172**	**-**	**7,500**	**237,059**
Executive directors and key management					
Andrew Jensen	69,892	-	6,640	-	76,532
Mark Mendel	219,388	-	20,612	-	240,000
	500,667	**18,172**	**27,252**	**7,500**	**553,591**

Mr Alex Caraco was appointed as Chief Executive Officer and Director on 22 March 2017. Mr Adir Shiffman resigned on 2 March 2017 and Mr John Kolenda resigned 22 March 2017. Andrew Jensen changed from Executive Director to Non-Executive Director 1 May 2017 and Mr Mark Mendel ceased as Chief Executive Officer on 22 March 2017.

Director and KMP shareholdings

The number of shares held in the Company during the financial year by each Director and key management personnel of iBuyNew Group Limited, including their personally related parties, are set out below.

	Balance at beginning of year	Received as part of remuneration	Other changes	Balance at end of year
2017				
Calvin Ng	23,955,000	-	11,036,680	34,991,680
Andrew Jensen	3,851,330	-	2,567,559	6,418,889
John Kolenda	22,805,000	-	(22,805,000)	-
Adir Shiffman	23,875,000	-	(23,875,000)	-
Alex Caraco	-	-	166,670	166,670
Mark Mendel	26,670,000	-	(26,670,00)	-
2016				
Calvin Ng	23,955,000	-	-	23,955,000
Andrew Jensen	3,851,330	-	-	3,851,330
John Kolenda	22,305,000	-	500,000	22,805,000
Adir Shiffman	23,375,000	-	500,000	23,875,000
Leonard Gavin Padowitz	31,252,300	-	(31,252,300)	-
Mark Mendel	-	-	26,670,000	26,670,000

KMP option holdings

The number of options held in the company during the financial year by each director and member of key management personnel of IBuyNew Group Limited, including their personally related parties was NIL. (30 June 2016: NIL).

Relationship between remuneration policy and company performance

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

	Fixed remuneration		At risk STI		At risk LTI	
	2017 %	2016 %	2017 %	2016 %	2017 %	2016 %
Directors						
Calvin Ng	59.71	100.00	-	-	40.29	-
Andrew Jensen	89.18	90.44	-	3.61	10.82	5.95
John Kolenda	54.54	100.00	-	-	45.46	-
Adir Shiffman	53.03	100.00	-	-	46.97	-
Alex Caraco	100.00	-	-	-	-	-
Mark Mendel	100.00	100.00	-	-	-	-

Service agreements

The Chief Executive Officer, Alex Caraco, is an employee of the Group under an agreement commencing on 22 March 2017.

Under the terms of this contract:

- Mr Caraco may resign from his position and thus terminate this contract by giving one months' written notice.
- The Group may terminate the employment agreement by providing one months' written notice or providing payment in lieu of the notice period (based on the fixed component of Mr Caraco's remuneration).
- The Group may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, the CEO is only entitled to that portion of remuneration which is fixed, and only up to the date of termination.
- Mr Caraco's employment agreement provides for issuing performance incentives subject to the discretion of the Board. During the 2017 financial year there has been no performance incentive issued to Mr Caraco.
- The remuneration package is structured as follows:
  - (a) Salary of:
    - (i) $150,000 (plus superannuation) per annum commencing on the Appointment Date up to (and including) 30 June 2017; and
    - (ii) $170,000 (plus superannuation) per annum commencing on 1 July 2017;
  - (b) a commission of 0.1% of the purchase price of each property sold by IBN (excluding any sales by the Nyko business) payable from 1 July 2017 as follows:
    - (i) 50% of the commission will be paid from any upfront commission received by IBN within 20 business days after IBN has received its upfront commission from the settlement of each such sale; and
    - (ii) the remaining 50% (or, if no upfront commission was received, 100%) of the commission will be 20 business days after IBN has received its commission from the settlement of each such sale.

From 1 July 2017, Calvin Ng and Andrew Jensen have reduced their Non-executive fees to $30,000 per annum.

Equity-based compensation

Details of the performance rights and options granted as remuneration to those key management personnel and executives during the year:

Share-based payments	Granted and Vested in 2017 No	Value at grant date $	Value expensed in 2017 $	Proportion of remuneration %
Directors				
Calvin Ng	7,500,000	35,425	35,425	40.30
Andrew Jensen	7,500,000	35,425	35,425	10.82
John Kolenda	7,500,000	35,425	35,425	45.47
Adir Shiffman	7,500,000	35,425	35,425	46.97

Share-based payments	Granted and Vested in 2016 No	Value at grant date $	Value expensed in 2016 $	Proportion of remuneration %
Directors				
Calvin Ng	-	-	-	-
Andrew Jensen	-	-	-	-
John Kolenda	-	-	-	-
Adir Shiffman	-	-	-	-

The effect of the performance rights is akin to an option. The value of the shares at the date of grant was $0.013 per share. Refer to Note 30 for additional details.

Loans to directors and other members of key management personnel

There were no loans to directors or other members of key management personnel during or since the end of the financial year, apart from those disclosed at Note 23 Related Party Transactions.

This concludes the remuneration report which has been audited.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2017 has been received and can be found on page 52 of the financial report.

This director's report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

Director: ....
Mr Calvin Ng

Dated this 31st day of August 2017

Corporate Governance

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, iBuyNew Group Limited and its Controlled Entities ('the Group') have adopted a corporate governance framework and practices to ensure they meet the interests of shareholders.

The Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations – 3rd edition ('the ASX Principles') are applicable for financial years commencing on or after 1 July 2014, consequently for the Group's 30 June 2017 year end. As a result, the Group has chosen to publish its Corporate Governance Statement on its website rather than in this Annual Report.

The Corporate Governance Statement and governance policies and practices can be found in the corporate governance section of the Company's website at http://www.ibuynew.com.au.

The Group's Corporate Governance Statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles. All of these practices, unless otherwise stated, were in place for the full reporting period.

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2017

	Note	Consolidated 2017 $	2016 $
Revenue	3	3,640,115	3,390,542
Other revenue	3	64,650	182,925
Gain on disposal of subsidiary	3	-	5,000
		3,704,765	3,578,467
Less Expenditure			
Administration expense		(1,621,148)	(1,122,408)
Bad debts expense		(290,173)	(15,600)
Depreciation and amortisation expense		(62,419)	(49,992)
Direct operating expense		(1,248,551)	(702,944)
Directors and consultant expense		(375,402)	(307,007)
Employee benefits expense		(1,947,413)	(1,295,532)
Impairment expense		(600,000)	-
Occupancy expenses		(249,527)	(175,663)
Share-based compensation		(141,700)	(7,500)
Loss on sale of joint venture		-	(1,541,386)
Share of loss from joint venture		-	(400,689)
Loss on disposal of fixed assets		(88,898)	-
Operating Loss before finance costs		**(2,920,466)**	**(2,040,254)**
Financial income		9,926	17,420
Financial expenses		(147,750)	-
Net financing costs		**(137,824)**	**17,420**
Loss before income tax		**(3,058,290)**	**(2,022,834)**
Income tax expense	5	(43,792)	(119,874)
Loss for the year after income tax		**(3,102,082)**	**(2,142,708)**
Other comprehensive income, net of income tax			
Items that will be reclassified to profit or loss when specific conditions are met			
Loss on revaluation of financial assets		(111,399)	-
Exchange differences on translation of foreign exchange		-	(1,691)
Total comprehensive loss for the year		**(3,213,481)**	**(2,144,399)**
Loss for the year attributable to:			
Owners of iBuyNew Group Limited		(3,102,082)	(2,297,791)
Non-controlling interest		-	155,083
		(3,102,082)	**(2,142,708)**
Total comprehensive income for the year attributable to:			
Owners of iBuyNew Group Limited		(3,213,481)	(2,299,482)
Non-controlling interest		-	155,083
		(3,213,481)	**(2,144,399)**
Earnings per share for loss attributable to the owners of iBuyNew Group Limited			
Basic earnings per share (cents)	8	(0.311)	(0.323)
Diluted earnings per share (cents)	8	(0.311)	(0.323)

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

Statement of Financial Position
As at 30 June 2017

	Note	Consolidated 2017 $	2016 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	1,454,915	1,656,746
Trade and other receivables	10	1,402,642	341,165
Other assets	12	110,692	65,789
TOTAL CURRENT ASSETS		2,968,249	2,063,700
NON-CURRENT ASSETS			
Plant and equipment	13	31,743	195,738
Other non-current assets	12	139,858	253,907
Deferred tax assets		-	70,989
Financial assets	11	79,810	37,045
Intangible assets	14	2,168,226	1,929,503
TOTAL NON-CURRENT ASSETS		2,419,637	2,487,182
TOTAL ASSETS		5,387,886	4,550,882
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	1,749,722	561,938
Loans and borrowings	16	250,000	-
Income tax payable		-	152,143
Other liabilities	17	87,500	-
Deferred revenue	15	306,215	-
Employee provisions	18	53,790	46,046
TOTAL CURRENT LIABILITIES		2,447,227	760,127
NON-CURRENT LIABILITIES			
Other liabilities	17	-	153,358
Loans and borrowings	16	1,507,837	-
TOTAL NON-CURRENT LIABILITIES		1,507,837	153,358
TOTAL LIABILITIES		3,955,064	913,485
NET ASSETS		**1,432,822**	**3,637,397**
EQUITY			
Issued capital	19	51,569,948	44,779,243
Reserves	20	31,801	1,500
Accumulated losses		(50,168,927)	(41,159,328)
Owners of iBuyNew Group Limited		1,432,822	3,621,415
Non-controlling interest		-	15,982
TOTAL EQUITY		**1,432,822**	**3,637,397**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
For the Year Ended 30 June 2017

	Note	Issued Capital $	General Reserve $	Share Based Payments Reserve $	Accumulated Losses $	Non-controlling Interest $	Total Equity $
Consolidated							
Balance at 1 July 2016		**44,779,243**	**1,500**	**-**	**(41,159,328)**	**15,982**	**3,637,397**
Loss for the year after income tax		-	-	-	(3,102,082)	-	(3,102,082)
Other comprehensive income		-	(111,399)	-	-	-	(111,399)
Total comprehensive income for the year, net of tax		**-**	**(111,399)**	**-**	**(3,102,082)**	**-**	**(3,213,481)**
Transactions with equity holders							
Share based payments	30	-	-	141,700	**-**	**-**	**141,700**
Shares issued during the year - net of transaction costs	19	6,790,705	-	-	**-**	**-**	**6,790,705**
Acquisition of non-controlling interests		-	-	-	**(5,907,517)**	**(15,982)**	**(5,923,499)**
Balance at 30 June 2017		**51,569,948**	**(109,899)**	**141,700**	**(50,168,927)**	**-**	**1,432,822**
Consolidated							
Balance at 1 July 2015		**44,336,173**	**3,191**	**-**	**(38,861,537)**	**-**	**5,477,827**
Loss for the year after income tax		-	-	-	(2,297,791)	155,083	(2,142,708)
Other comprehensive income		-	(1,691)	-	-	-	(1,691)
Total comprehensive income for the year, net of tax		**-**	**(1,691)**	**-**	**(2,297,791)**	**155,083**	**(2,144,399)**
Non-controlling interests arising on subsidiary acquisitions		-	-	-	**-**	**(139,101)**	**(139,101)**
Transactions with equity holders							
Share based payments		-	-	-	**-**	**-**	**-**
Shares issued during the year - net of transaction costs	19	443,070	-	-	**-**	**-**	**443,070**
Balance at 30 June 2016		**44,779,243**	**1,500**	**-**	**(41,159,328)**	**15,982**	**3,637,397**

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

Statement of Cash Flows
For the Year Ended 30 June 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		3,278,550	3,920,498
Payments to suppliers and employees		(4,902,720)	(4,274,729)
Interest received		9,926	17,863
Finance costs		(132,231)	-
Income tax		(136,699)	-
Net cash (used in) operating activities	21	(1,883,174)	(336,368)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of subsidiary, net of cash acquired		(274,124)	(207,827)
Net security deposits received / (paid)		34,391	(122,866)
Purchase of Investment in joint venture entity		-	(48,560)
Investment in subsidiary		(500,000)	-
Sale of Investment in joint venture entity		-	700,000
Net cash inflow from sale of subsidiary		-	5,000
Purchase of investments		(154,258)	(37,045)
Purchase of property, plant and equipment		(21,292)	(179,849)
Net cash (used in) / provided by investing activities		(915,283)	108,853
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		1,512,853	-
Transaction costs relating to issue of shares		(103,148)	(10,320)
Proceeds from Loans and borrowings		1,350,000	-
Transaction costs relating to issue of loans and borrowings		(99,125)	-
Repayment of Loans and borrowings		(63,954)	-
Net cash provided by / (used in) financing activities		2,596,626	(10,320)
Net (decrease) / increase in cash and cash equivalents held		**(201,831)**	**(237,835)**
Cash and cash equivalents at beginning of financial year		1,656,746	1,894,581
Cash and cash equivalents at end of financial year	9	**1,454,915**	**1,656,746**

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

Notes to the Financial Statements
For the Year Ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

iBuyNew Group Limited (formerly Disruptive Investment Group Limited) is a public company, listed on the Australian Stock Exchange, limited by shares and incorporated and domiciled in Australia.

The financial statements are general purpose financial statements that 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”).

The financial statements cover iBuyNew Group Limited as a Group, consisting of iBuyNew Group Limited and the entities it controlled at the end of, or during the year.

The financial statements were authorised for issue by the directors on 31 August 2017.

Basis of Preparation

Historical Cost Convention

The financial statements have been prepared on an accruals basis and are based on historical costs, except for certain non-current assets and financial instruments that are measured at re-valued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Critical Accounting Estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The area’s involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 1(w).

Parent Entity Information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Group only. Supplementary information about the parent entity is included in Note 2.

New, revised or amending Accounting Standards and Interpretations adopted

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

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

The adoption of these Accounting Standards and Interpretations are currently being quantified as to the impact on the financial performance or position of the Group.

Notes to the Financial Statements
For the Year Ended 30 June 2017

(a) Going concern

The Directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The cash flow forecast for the next twelve months prepared by management indicates that the Group will have sufficient cash assets to be able to meet its debts as and when they are due.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of iBuyNew Group Limited ("the Company") as at 30 June 2017 and the results of all subsidiaries for the year then ended. iBuyNew Group Limited and its subsidiaries together are referred to in these financial statements as the Group.

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

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

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

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, is the Board of Directors.

(d) Revenue and other income recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each engagement.

Commission and related income is recognised based on the contractual agreements underlying each transaction. Typically, the revenue is recognised 50% on unconditional exchange of contracts between vendors and purchasers and the remaining 50% upon settlement by the vendors.

Interest revenue is recognised as interest accrues using the effective interest rate method.

(e) Income tax

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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

Current tax assets and liabilities are offset only where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax assets and liabilities are offset where:

a. a legally enforceable right of set-off exists; and

b. they relate to the same taxation authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the consolidated statement of financial position.

(g) Trade and other receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is established when there is objective evidence that the Group will may not be able to collect all amounts due according to the original terms of receivables.

(h) Plant and equipment

Plant and equipment is measured at historical cost less accumulated depreciation and any accumulated impairment.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

<u>Depreciation</u>

Depreciation is calculated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

(h) Plant and equipment (continued)

The depreciation rates used for each class of asset are:

Class of asset	Estimated Useful Life
Furniture and fittings	2 – 13 years
Office equipment	2 – 5 years
Life of lease	3 – 5 years

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

Gains and losses on disposals are determined by comparing disposal proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

(i) Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed when incurred.

Amortisation is recognised in the profit and loss on a straight-line basis over the estimated useful lives of the intangible assets.

Goodwill and goodwill on consolidation are initially recorded at the amount by which the acquisition cost for a business combination exceeds the fair value attributed to the interest in the net fair value of net identifiable assets at the acquisition date. Good will on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but is impairment tested annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(j) Impairment of assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a re-valued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a re-valued asset is treated as a revaluation decrease in accordance with that other Standard.

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

The Group undertakes a review and assesses potential impairment on a regular basis for all its intangible assets.

(k) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less cost to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets that are carried at fair value.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less

(k) Non-current assets (or disposal groups) held for sale (continued)

cost to sell. A gain is recognised for any subsequent increase in fair value less cost to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Due to their short-term nature, they are measured at amortised cost and are not discounted.

(m) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(n) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees up to the end of the reporting period. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

Short term employee benefits

Liability for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect ofemployees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

Liability for annual leave and long service leave not expected to be settled within 12 months from the reporting date is 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 reporting date, using the projected unit credit method. Consideration is given to expected future wage and salary levels, of employee departures and period of service.

Retirement benefit obligations

Contributions for retirement benefit obligations are recognised as an expense as they become payable. Prepaidcontributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment isavailable. Contributions are paid into the fund nominated by the employee.

(o) Share-based payments

The fair value of options granted is recognised as a benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the directors and executivesbecome unconditionally entitled to the options.

The fair value at grant date is determined using either the binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of option, the impact of dilution, the share price at grant date and expected price volatility of theunderlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number ofoptions that are expected to become exercisable. The benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share based payments reserve relating to those options istransferred to share capital and the proceeds received, net of any directly attributable transaction costs, and arecredited to share capital.

(p) Equity-settled compensation

The Group operates an employee share ownership plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using either a Binominal pricing or Black-Scholes option pricing model.

The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

Upon the exercise of options, the balance of the share based payments reserve relating to those options is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, and are credited to share capital.

(q) Functional and presentation currency

The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

<u>Foreign currency transactions</u>

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.

(r) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the consolidated 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(s) Financial instruments

Financial instruments are recognised when the entity becomes a party to the contractual provisions to the instrument and are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised immediately as expenses in profit or loss.

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Loans and borrowings

Loans and borrowings are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Financial liabilities are derecognised when the contractual obligation is discharged, cancelled or expires.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

(t) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to owners of iBuyNew Group 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.

(u) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(v) New accounting standards for application in future periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2017. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 9 Financial Instruments

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 Group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Group.

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 judgments 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 Group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Group.

(w) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor’s financial position.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets

The Group assesses impairment of non-financial assets each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Interest bearing liabilities

All loans and borrowings, including convertible notes, are initially recognised at the fair value of the consideration received less directly attributable transaction costs. The component of the convertible notes that exhibit characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

(w) Critical accounting estimates and judgements (continued)

Interest bearing liabilities (continued)

Transaction costs are apportioned between the liability and equity components of the convertible notes based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

On issuance of the convertible notes the fair value of the liability component is determined using the market rate for an equivalent market instrument and this amount is carried as a long-term liability using the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost.

Borrowings are classified as current liabilities unless the Group has the unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

- Level 1 - Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 2 - Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 3 - Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

i. if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
ii. if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

Notes to the Financial Statements
For the Year Ended 30 June 2017

2. PARENT ENTITY INFORMATION

The following information has been extracted from the books and records of the parent, iBuyNew Group Limited, and has been prepared on the same basis as the consolidated financial statements, except as disclosed below. Investments in subsidiaries and intercompany loans are accounted for at cost in the financial statements of the parent entity.

Statement of Financial Position	**2017 $**	**2016 $**
CURRENT ASSETS		
Cash and cash equivalents	9,193	861,225
Trade and other receivables	-	306,565
Other current assets	53,694	28,844
TOTAL CURRENT ASSETS	62,887	1,196,634
NON-CURRENT ASSETS		
Intangible assets	-	76
Financial assets	79,810	37,045
Property, plant and equipment	1,388	3,213
Other non-current assets	-	5,071
Investment in subsidiary	2,168,226	2,329,243
TOTAL NON-CURRENT ASSETS	2,249,424	2,374,648
TOTAL ASSETS	2,312,311	3,571,282
CURRENT LIABILITIES		
Trade and other payables	148,743	111,288
Other liabilities	87,500	-
Employee Provisions	-	11,150
Loans and borrowings	250,000	-
TOTAL CURRENT LIABILITIES	486,243	122,438
NON-CURRENT LIABILITIES		
Loans and borrowings	1,507,807	-
TOTAL NON-CURRENT LIABILITIES	1,507,807	-
TOTAL LIABILITIES	1,994,050	122,438
NET ASSETS	**318,261**	**3,448,844**
EQUITY		
Issued capital	51,569,948	44,779,243
Reserves	31,801	1,500
Accumulated losses	(51,283,488)	(41,331,899)
TOTAL EQUITY	**318,261**	**3.448,844**
Statement of Profit or Loss and Other Comprehensive Income		
Loss of the parent entity	(9,951,589)	(2,767,903)
Total comprehensive loss for the year	**(9,951,489)**	**(2,767,903)**

The parent entity has not provided any guarantees as at 30 June 2017 (30 June 2016: $NIL). The parent entity had no capital commitments at 30 June 2017 (30 June 2016: $NIL).

Notes to the Financial Statements
For the Year Ended 30 June 2017

3. REVENUE AND OTHER INCOME

Revenue from continuing operations

	2017 $	2016 $
Revenue:		
- Commission – IBN e-commerce sales	2,898,505	3,390,542
- Commission – Nyko advisory services	741,610	-
	3,640,115	3,390,542
Other revenue:		
- other revenue	64,650	182,925
Total Revenue	**3,704,765**	**3,573,467**

Other income:		
- Gain on disposal of subsidiary (*)	-	5,000
Total other income	**-**	**5,000**

(*) On 7 December 2015, the Group entered into an arrangement to sell Awesome Water (Australia) Pty Ltd.

As consideration for the sale $5,500 including GST was received for:

- 100% of the shares in Awesome Water (Australia) Pty Ltd; and
- The domain awesomewater.com.au.

4. LOSS FOR THE YEAR

Loss before income tax includes the following specific expenses:

	2017 $	2016 $
Direct operating expense	(1,248,551)	(702,944)
Finance costs	(147,750)	-
Bad debts expense	(290,173)	(15,600)
Share-based compensation	(141,700)	(7,500)
Depreciation and amortisation expense	(62,419)	(49,992)
Loss on disposal of fixed assets	(88,898)	-
Impairment expense	(600,000)	-
Loss on sale of joint venture	-	(1,541,386)
Share of loss from joint venture	-	(400,689)

5. INCOME TAX

	2017	2016
(a) The major components of income tax expense comprise:	**$**	**$**
Income tax expense	**43,792**	**119,874**

(b) Numerical reconciliation of income tax expense to accounting loss:

Loss for year before income tax expense	(3,058,290)	(2,022,834)
Prima facie tax benefit on loss from ordinary activities before income tax at 27.50% (2016: 30.00%)	(841,030)	(606,850)
Add / (less) tax effect of:		
- Under / overs of prior year	43,792	(10,893)
- Non-assessable income	(10,091)	(26,484)
- Non-deductible expenses	33,206	4,380
- Change in equity accounted investments	-	120,207
- Loss on sale of joint venture entity	-	463,344
- Tax losses not brought to account	817,915	176,170
Income tax expense	**43,792**	**119,874**

	2017	2016
c) Recognised temporary differences in deferred tax assets	$	**$**
- Provisions	-	32,270
- Accrued expense	-	28,014
- Depreciation expense	-	10,705
Deferred tax assets	**-**	**70,989**

	2017	2016
(d) Unrecognised temporary differences deferred tax assets / (liabilities)	$	**$**
- Provisions	19,898	6,207
- Section 40-880 deduction	59,986	60,612
- Revenue losses carried forward	1,333,928	732,471
- Capital losses carried forward	606,885	606,885
- Capitalised investment costs	2,059,847	10,101
- Accrued income	(1,687)	(231)
- Accrued expenses	63,137	3,493
Potential future tax benefit	**4,141,994**	**1,419,538**

This income tax benefit arising from tax losses will only be realised if the Group derives future assessable income of a nature and of an amount sufficient to enable the Group to benefit from the deductions for the losses to be realised, the Group continues to comply with the conditions for deductibility imposed by tax legislation and no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses.

On that basis, an adjustment to derecognise the existing balance of deferred tax assets ($70,989) was made through profit or loss.

6. INTERESTS OF KEY MANAGEMENT PERSONNEL ("KMP")

(a) Directors and key management personnel

The following persons were Directors or Key Management Personnel of iBuyNew Group Limited during the financial year:

- Calvin Ng
- Andrew Jensen
- John Kolenda
- Adir Shiffman
- Alex Caraco
- Mark Mendel

(b) Directors and key management personnel compensation

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's Key Management Personnel for the year ended 30 June 2017.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	2017 $	2016 $
Short-term employment benefits	741,193	500,667
Non-monetary benefits	-	18,172
Post-employment benefits	39,291	27,252
Share-based payments	141,700	7,500
	922,184	**553,591**

7. AUDITOR'S REMUNERATION

During the year the following fees were paid or payable for services provided by Stanton International, the auditor of the parent entity, its related practices and unrelated firms:

	2017 $	2016 $
Audit or review of the Group	47,500	82,000
Other services	14,000	-
	61,500	**82,000**

Notes to the Financial Statements
For the Year Ended 30 June 2017

8. LOSS PER SHARE

	2017 $	2016 $
Basic and diluted earnings per share (in cents)	(0.311)	(0.323)
Reconciliation of loss to profit or loss from continuing operations		
Loss for the year	(3,102,082)	(2,142,708)
Adjustments:		
Deduct: Profit attributable to non-controlling interest	-	155,083
Loss used in calculating basic and diluted loss per share	**(3,102,082)**	**(2,297,791)**

	No.	No.
Weighted average number of ordinary shares used in calculating basic and dilutive earnings per share	997,771,441	711,808,950

<u>Performance Rights and Options</u>

Shareholders approved the issue of 30,000,000 performance rights to Directors at the Annual General Meeting held on 31 October 2016. No other options were issued to KMP or Directors during the 2017 financial year.

For the year ended 30 June 2017, the performance rights are considered anti-dilutive, and consequently diluted earnings per share is the same as basic earnings per share. The performance rights have not been included in the determination of basic earnings per share.

Details relating to performance rights are set out in Note 30.

9. CASH AND CASH EQUIVALENTS

	2017 $	2016 $
Cash at bank and in hand	976,270	1,604,561
Restricted cash	478,645	52,185
	1,454,915	**1,656,746**

Restricted cash relates to clients' funds held on trust by the Group. The effective interest rate on cash at bank (excluding restricted cash) at 30 June 2017 was 0.60%. Cash was held at call.

<u>Reconciliation of cash</u>

Cash and cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents	1,454,915	1,656,746

10. TRADE AND OTHER RECEIVABLES

	2017 $	2016 $
Current		
Trade receivables	1,680,652	340,396
Less: Provision for impairment	(278,010)	-
Other receivables	-	769
	1,402,642	**341,165**

Impairment of receivables

The Group has recognised a loss of $278,010 (2016: $NIL) in profit or loss in respect of impairment of receivables for the year ended 30 June 2017.

Movements in the provision for impairment of receivables are as follows:

	2017 $	2016 $
Opening balance	-	-
Additional provisions recognised	(278,010)	-
Receivables written off during the year as uncollectable	-	-
Closing balance	**(278,010)**	**-**

Past due but not impaired

Customers with balances past due but without provision for impairment of receivables amount to $470,116 as at 30 June 2017 (30 June 2016: $204,206).

The Group did not consider a credit risk on the aggregate balances after reviewing the credit terms of customers based on recent collection practices.

Effective interest rates and credit risk

The Group has no significant concentration of credit risk with respect to any single counterparty or Group of counterparties other than those receivables specifically provided for and mentioned within Note 24(a). The class of assets described as 'trade and other receivables" is considered to be the main source of credit risk related to the Group.

There is no interest rate risk for the balances of trade and other receivables. There is no material credit risk associated with other receivables.

Notes to the Financial Statements
For the Year Ended 30 June 2017

11. FINANCIAL ASSETS

	2017 $	2016 $
Investment in Australian listed equity securities	**79,810**	**37,045**

The value of the investments at the date of this report is $124,503.

12. OTHER ASSETS

	2017 $	2016 $
Current		
Prepayments	**110,692**	**65,789**
Non-Current		
Bank guarantee and rental bonds	139,858	158,365
Lease incentives	-	94,942
Other	-	600
	139,858	**253,907**

13. PLANT AND EQUIPMENT

	2017 $	2016 $
Furniture and fixtures		
At cost	7,886	12,128
Accumulated depreciation	(7,886)	(8,030)
	-	4,098
Office equipment at cost		
At cost	49,761	27,748
Accumulated depreciation	(27,300)	(10,523)
	22,461	17,225
Leasehold assets		
At cost	12,330	208,916
Accumulated depreciation	(3,048)	(34,501)
	9,282	174,415
Total plant and equipment	**31,743**	**195,738**

Notes to the Financial Statements
For the Year Ended 30 June 2017

13. PLANT AND EQUIPMENT (CONTINUED)

Movements in carrying amounts of plant and equipment

	$
Balance at 1 July 2016	195,738
Additions *	29,959
Depreciation	(62,419)
Disposals	(131,535)
Balance at 30 June 2017	**31,743**
Balance at 1 July 2015	-
Additions *(Inc. assets acquired on acquisition of a subsidiary)	248,790
Depreciation	(53,052)
Balance at 30 June 2016	**195,738**

* Additions include the assets acquired on acquisition of a subsidiary.

14. INTANGIBLE ASSETS

	2017 $	2016 $
Goodwill		
At cost	2,768,226	1,929,427
Impairment expense	(600,000)	-
	2,168,226	1,929,427
Intellectual Property		
At cost	76	76
Disposals (inc. disposal of a subsidiary)	(76)	-
	-	76
	2,168,226	**1,929,503**

Movements in carrying amounts of Intellectual Property

	$
Balance at 1 July 2016	**76**
Additions	-
Disposal	(76)
Balance at 30 June 2017	**-**
Balance at 1 July 2015	**76**
Additions	-
Disposal	-
Balance at 30 June 2016	**76**

Notes to the Financial Statements
For the Year Ended 30 June 2017

14. INTANGIBLE ASSETS (CONTINUED)

Movements in carrying amounts of Goodwill

	$
Balance at 1 July 2016	**1,929,427**
Additions	838,799
Impairment expense	(600,000)
Balance at 30 June 2017	**2,168,226**
Balance at 1 July 2015	**-**
Additions	1,929,427
Disposal	-
Balance at 30 June 2016	**1,929,427**

Impairment testing – Goodwill

The key assumptions used for testing impairment of the goodwill included management's assessment of future trends and have been based on historical data from both external and internal sources and cashflow projections.

Specific factors taken into consideration included the impact of new APRA Banking regulations over the past 12 months restricting lending conditions and changed LVR's for loans to investors and the changing nature of the FIRB regulations. Management has also taken into consideration the reduction in operational expenditure implemented in late FY17.

The Board and management have taken a conservative and prudent position, recognising an impairment loss of $600,000.

15. TRADE AND OTHER PAYABLES

	2017 **$**	**2016** **$**
Trade payables	768,738	62,896
Other payables	980,984	499,042
	1,749,722	**561,938**
Deferred revenue	**306,215**	**-**

16. LOANS AND BORROWINGS

	2017 $	**2016** $
Current	250,000	-
Non-current	1,507,807	-
	1,757,807	

16. LOANS AND BORROWINGS (CONTINUED)

Loan with Mark Mendel and Marshe Nominees

On 29 July 2016, the Group announced that it had signed agreements for the acquisition of the remaining 50% of Find Solutions Australia Pty Ltd (FSA) for a total consideration of $5,923,500 comprising of $1,500,000 in cash (to be paid over 3 instalments, $500,000 paid on the 31 October 2016 with a further two instalments payable in May and December 2017) and 245,750,000 in IBN Shares (issued at 1.8 cents per share).

On 27 April 2017, the Group announced that Mark Mendel and Marsh Nominees Pty Ltd had elected to take up $500,000 or 166,666,667 of the amount owed under the loan facility as part of the non-renounceable pro-rata rights offer. Further they had agreed to defer the final instalment payable for the acquisition of FSA to $250,000 payable between 1 January 2018 and 30 April 2018 (subject to the Group having sufficient working capital) and the final $250,000 on 31 December 2018.

Interest on the loan is 8% per annum calculated daily until repaid with security over the current and future receivables of the Group.

Convertible Notes

On 3 October 2016, the Group announced the successful completion of a capital raising of $1.35m (before costs) through the issue of 75,000,005 convertible notes to new and existing sophisticated institutional and sophisticated investors.

The notes were issued at $0.018 per note and can be converted at a fully paid ordinary share at a conversion price of $0.018 any time until maturity 24 months from date of issue.

The Convertible Notes are unsecured and the interest rate is 10% per annum, accrued daily and paid monthly in arrears.

The holders of Convertible Notes will have no rights to vote on any matter except for matters affecting the rights under the Convertible Notes and have no rights to participate in any dividend declared or other distribution by the Company.

17. OTHER LIABILITIES

	2017 $	2016 $
Lease incentives – IBN Office Lease (Non-current)	-	153,358
Deferred consideration to vendors of Nyko (Current)	87,500	-
	87,500	**153,358**

18. EMPLOYEE PROVISIONS

	2017 $	2016 $
Employee provisions - current	**53,790**	**46,046**

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement.

Notes to the Financial Statements
For the Year Ended 30 June 2017

19. ISSUED CAPITAL

	2017 Shares	2016 Shares	2017 $	2016 $
Ordinary shares – fully paid	1,694,043,103	724,560,999	51,569,948	44,779,243

(a) Ordinary shares

	2017 No.	2016 No.	2017 $	2016 $
At the beginning of the year	724,560,999	697,890,999	44,779,243	44,336,173
Rights issue	677,617,660	-	2,032,853	-
Deferred share consideration for Nyko Property Pty Ltd and Nyko Property Australia Pty Ltd**	-	-	87,500	-
Acquisition of Nyko Property Pty Ltd and Nyko Property Australia Pty Ltd**	19,444,444	-	350,000	-
Acquisition of the remaining 50% interests in Find Solutions Australia Pty Ltd*	245,750,000	-	4,423,500	-
Deferred share consideration acquisition FSA Part 2*	26,670,000	-	-	-
Deferred share consideration acquisition FSA Part 2*	-	-	-	453,390
Deferred share consideration acquisition FSA Part 1*	-	26,670,000	-	-
Shares issue costs, net of tax			(103,148)	(10,320)
At the end of the year	**1,694,043,103**	**724,560,999**	**51,569,948**	**44,779,243**

<u>* Acquisition of Find Solutions Australia Pty Ltd (FSA)</u>

As announced on 30 April 2015 IBN acquired an initial 25% stake in FSA for a cash consideration of $750,000 and deferred consideration of 26.67m shares issued at 0.012c. On 22 December 2015, 26,670,000 shares were issued to Mr Mark Mendel and Marshe Nominees Pty Limited upon achieving in aggregate of at least $750,000 in respect to properties sold prior to 31 December 2014.

On 13 July 2015, the First Option was settled for a cash consideration of $750,000, as well as deferred share consideration of up to 26.67 million shares in IBN if the agreed historic commission receivables target is met by 30 June 2017. On 31 October 2016, in acquiring the remaining 50% of FSA, the Company has agreed to issue these shares to FSA vendors as part of the consideration payable.

<u>** Acquisition of Nyko Property Pty Ltd and Nyko Property Australia Pty Ltd (Nyko)</u>

As announced on 31 October 2016, IBN acquired 100% stake in Nyko for an upfront consideration of $700,000 (comprising of $350,000 cash and 19,444,444 shares (issued at 1.8 cents per share), as well as deferred consideration comprising of up to $87,500 in cash and 4,861,111 shares in IBN (to be issued at 1.8 cent per share), subject to Nyko achieving a minimum of 85 sales over the 15 months from the completion date.

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote. The Company does not have a limited amount of authorised capital and the fully paid ordinary shares have no par value.

Notes to the Financial Statements
For the Year Ended 30 June 2017

19. ISSUED CAPITAL (CONTINUED)

(b) Capital risk management

The Group's objectives when managing capital are 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.

The Group looks to raise capital when an opportunity to invest in a business or company is seen as value adding relative to the current parent entitys share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

20. RESERVES

	2017 $	2016 $
Share based payment reserve		
Balance at the beginning of the year	-	-
Share based payment expense	141,700	-
Balance at the end of the year	141,700	-
General reserve		
Balance at the beginning of the year	1,500	3,191
Other movements	(111,399)	(1,691)
Balance at the end of the year	(109,899)	1,500
Total reserves	**31,801**	**1,500**

(a) Share based payments reserve

This reserve records the cumulative value of employee services received for the issue of performance rights.

(b) General reserve

The movement in the reserve is as a result of the recognition of the equity component of the convertible loan and asset revaluations.

Notes to the Financial Statements
For the Year Ended 30 June 2017

21. CASH FLOW INFORMATION

	2017 $	2016 $
Reconciliation of loss after income tax to net cash used in operating activities		
Loss after income tax for the year	(3,102,082)	(2,142,708)
Adjustments for:		
- depreciation and amortisation	62,419	49,992
- share based payments	141,700	7,500
- bad and doubtful debts	290,173	-
- other non-cash expenses	(2,079)	600
- gain on sale of subsidiary	-	(5,000)
- share of net loss from joint venture entity	-	400,689
- impairment expense	600,000	-
- loss on sale of held for sale assets	-	1,541,386
- loss on disposal of fixed assets	88,898	-
Changes in operating assets and liabilities		
- (increase) / decrease in trade and other receivables	(1,061,477)	21,940
- decrease / (increase) in other assets	69,146	(47,616)
- (increase) / decrease in deferred tax assets	70,989	(70,989)
- increase / (decrease) in trade and other payables	951,395	(172,335)
- increase in provisions	7,744	80,173
Net cash used in operating activities	**(1,883,174)**	**(336,368)**

22. EVENTS AFTER THE REPORTING PERIOD

On 22 August 2017, the Group announced that it has entered into an Asset Sale Agreement to purchase the assets of leading Western Australian real-estate project marketing business Indo-Pacific Property (IPG). The assets purchased from Indo-Pacific Property include a $2.6m future commissions receivable book, a property management business & rent roll and all associated brand and intellectual property.

Under the transaction terms, the Company will issue the vendors $625,000 in IBN shares at $0.003 per share over two tranches, upfront consideration of 166,666,667 shares and deferred consideration of 41,666,666 shares subject to transition milestones and pay the vendor 50% of the commissions received by IBN from the future commissions receivable book in excess of $250,000.

Completion of the transaction is subject to the satisfaction of various conditions including regulatory and licensing approvals and confirmations.

In addition, as part of the transaction, Executive Chairman of IPG and McRae Investments, Stephen Quantrill will join the IBN board. Completion of the sale is subject to the satisfaction of various conditions including regulatory and licensing approvals and confirmations.

On 30 August 2017, the Company went into voluntary suspension in accordance with ASX Listing Rule 17.2 pending a decision by the ASX on the application of Listing Rule 11 to the proposed acquisition of the assets of IPG.

Apart from the matters noted above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

23. RELATED PARTY TRANSACTIONS

(a) The Group's main related parties are as follows:

Parent entities

iBuyNew Group Limited is the ultimate parent entity.

Subsidiaries

For details of disclosures relating to subsidiaries, refer to Note 25. Transactions and balances between subsidiaries and the parent have been eliminated on consolidation of the Group.

Key management personnel

For details of disclosures relating to key management personnel, refer to the remuneration report contained within the Director's report.

(b) Transactions with related parties

Aura Partners Pty Ltd, a company associated with Directors Calvin Ng and John Kolenda invoiced the Group $70,752 (2016: $99,905) for accounting services for the year.

Aura Legal Pty. Ltd., a company associated with Directors Calvin Ng and John Kolenda invoiced the Group $3,000 for legal services for the year (2016: $390).

Aura Capital Pty Ltd, a company associated with Directors Calvin Ng and John Kolenda invoiced the Group $151,000 for capital raising, corporate advisory services, rent and travel related costs. (2016: $132,169).

Aura Group Services Pty Ltd, a company associated with Directors Calvin Ng and John Kolenda invoiced the Group $5,042 (2016: $8,458) for rent and shared office services.

Aura Wealth Management Pty Ltd, a company associated with Directors Calvin Ng and John Kolenda was paid $24,287 (2016: $NIL) as commission for referral services.

Alia Group Pty Ltd, a company associated with Director Adir Shiffman invoiced the Group $NIL for corporate advisory services (2016: $67,051), in addition to the Director fees disclosed in the remuneration report.

MGS Jensen Family Trust, a family trust associated with Director Andrew Jensen invoiced the Group $NIL (2016: $39,390) for rent and shared office services, in addition to the Director fees disclosed in the remuneration report.

All amounts are exclusive of GST unless otherwise stated.

On 11 May 2017, the Group announced completion of the non-renounceable pro-rata rights issue. On 19 May 2017, the Group announced participation by Directors in the rights issue as follows

- Alex Caraco took up 66,670 shares of his entitlement ($200);
- Andrew Jensen and his associates took up 2,567,559 shares of their entitlements ($7,703); and
- Calvin Ng and his associates took up 10,963,342 shares of their entitlements ($32,890).

Notes to the Financial Statements
For the Year Ended 30 June 2017

23. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Outstanding Balances owed to related parties

The amount owing to related parties at the reporting date is $568,612 (2016: $34,880).

In aggregate $30,214 is owed to Directors Calvin Ng and John Kolenda and their related parties for consulting services and directorship fees.

In aggregate $538,398 is owed to Mark Mendel and his related parties for the acquisition of FSA ($500,000) and retirement at iBuyNew Pty Ltd ($38,398).

On 27 April 2017, the Group announced that the balance of the loan payable for the acquisition of FSA to $250,000 payable between 1 January 2018 and 30 April 2018 (subject to the Group having sufficient working capital) and the final instalment $250,000 on 31 December 2018.

24. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to several financial risks as described below. The Group's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Group. To date, the Group has not had the need to utilise derivative financial instruments such as foreign exchange contracts or interest rate swaps to manage any risk exposures identified.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		2017	2016
		$	$
Financial Assets			
Cash and cash equivalents	9	1,454,915	1,656,746
Trade and other receivables	10	1,402,642	341,165
Financial assets	11	79,810	37,045
Other assets	12	139,858	158,365
Total financial assets		**3,077,225**	**2,193,321**
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	15	1,749,722	561,938
- Loans and borrowings	16	1,757,807	-
- Other liabilities	17	87,500	
Total financial liabilities		**3,595,029**	**561,938**

The fair value of financial assets and liabilities equate to the carrying value.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Valuation techniques for fair value measurements categorised within level 1 and level 3 (Refer Note 11)

(i) Fair value Tier 1-3 asset profile

$	Tier 1	Tier 2	Tier 3	Total
Assets	79,010	-	-	79,010

(a) Credit risk

Credit risk is managed on a Group basis. The Group has no significant concentration of credit risk.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the table above.

Trade and other receivables (refer Note 10) that are neither past due nor impaired are considered to be of high credit quality. Credit risk related to balances with banks and other financial institutions is managed by management in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-.

(b) Liquidity risk

The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- managing credit risk related to financial assets; and
- only investing surplus cash with major financial institutions.

The Group is not exposed to any material liquidity risk.

Financial liabilities consist of two items, trade and other payables for which the contractual maturity dates are within 6 months of the reporting date and loans and borrowings.

Loans and borrowings at reporting date have contractual maturity dates as follows:

	2017 $	2016 $
Within one year	250,000	-
One to five years	1,600,000	-

(c) Market risk

Foreign exchange risk

The Group is not exposed to any material foreign exchange risk.

Interest rate risk

The Group's main interest rate risk arises from deposits with banks and other financial institutions.

Deposits made at variable rates expose the Group to interest rate risk. Management maintains approximately 100% of deposits with banks at call on variable interest rates.

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk (continued)

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk at the end of the financial year. The sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk. At the end of the financial year, the effect on profit and equity as a result of changes in the interest rate with all other variables remaining constant would be as follows:

	Profit $	Equity $
Year ended 30 June 2017		
+/- 1% in interest rates	+/- 14,549	+/- 14,549
Year ended 30 June 2016		
+/- 1% in interest rates	+/- 10,916	+/- 10,916

Price risk

The Group is not exposed to any material price risk.

25. INTERESTS IN SUBSIDIARIES

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

Name	Country of Incorporation	Percentage Owned (%) 2017	Percentage Owned (%) 2016
Subsidiaries of iBuyNew Group Limited:			
Find Solution Australia Pty Ltd	Australia	100	50
Find Investment Property Pty Ltd	Australia	100	50
iBuyNew Pty Ltd	Australia	100	50
iBuyNew Australia Pty Ltd	Australia	100	-
Nyko Property Pty Ltd	Australia	100	-
Nyko Property Australia Pty Ltd	Australia	100	-

26. BUSINESS COMBINATIONS

Acquisition of Find Solutions Australia Pty Ltd (FSA)

Prior to 30 June 2016, the Company held an investment in FSA of 50% with an option to acquire the balance. On 29 July 2016, the Company acquired the additional 50% in FSA for a total consideration of $5,923,500 comprising of $1,500,000 in cash (to be paid over 3 instalments, $500,000 paid on the 31 October 2016 with a further two instalments payable in May and December 2017) and 245,750,000 in IBN Shares (issued at 1.8 cents per share).

On 27 April 2017, the Group announced that Mark Mendel and Marsh Nominees Pty Ltd had elected to take up $500,000 or 166,666,667 of the amount owed under the loan facility as part of the non-renounceable pro-rata rights offer. Further they had agreed to defer the final instalment payable for the acquisition of FSA to $250,000 payable between 1 January 2018 and 30 April 2018 (subject to the Group having sufficient working capital) and the final $250,000 on 31 December 2018.

Details of the fair value of the assets and liabilities acquired are as follows:

		$
Consideration Transferred		1,203,450
Non-controlling interests in the acquisition		(139,101)
Fair Value of previously held interests		1,143,280
Net Assets acquired		(278,202)
Goodwill on acquisition	Note 14	**$1,929,427**

Acquisition of Nyko Property Pty Ltd

On 13 October 2016, the Group announced the acquisition of Nyko Property Pty Ltd (Nyko), a business that generates sales through its B2B intermediaries and corporate partnership networks.

The consideration for the acquisition is as follows:

1. An upfront consideration of $700,000, comprising of $350,000 in cash and 19,444,444 in IBN Shares (to be issued at 1.8c per share) to be paid and issued on completion; and
2. An “earn-out” deferred consideration of up to $175,000, comprising of up to $87,500 in cash and 4,861,111 in new IBN shares (to be issued at 1.8c per share) subject to Nyko achieving a minimum of 85 sales over the 15 months from the completion date.

Details of the fair value of the assets and liabilities acquired are as follows:

		$
Consideration Transferred		875,000
Net Assets acquired		(36,201)
Goodwill	Note 14	**$838,799**

Acquisition costs are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss and other comprehensive income as part of other expense.

Notes to the Financial Statements
For the Year Ended 30 June 2017

27. SEGMENT INFORMATION

<u>Identification of reporting segments</u>
The Group is organised into two operating segments:

- E-commerce sales and services direct to the consumer (B2C Sales (iBuyNew)); and
- Research advisory services and sales through intermediaries (B2B Sales (Nyko)).

These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (identified as the Chief Operating Decision Makers (CODM)) in assessing performance and in determining the allocation of resources. The CODM reviews both adjusted earnings before interest, tax, depreciation and amortisation (segment result) and profit before income tax.

Segment information is presented net of inter-segment transactions. The Corporate segment FY16 has been adjusted to include investments and the resulting loss on disposal.

Geographical segment information

The primary geographic segment within which the Group operates is Australia as at 30 June 2017.

	Corporate		E-Commerce		Advisory		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	$	$	$	$	$	$	$	$
Revenue								
Sales to external customers	-	-	2,898,505	3,390,542	741,610	-	3,640,115	3,390,542
Total								
Interest received	3,024	11,409	6,902	6,011	-	-	9,926	17,420
Other revenue	17,599	125,723	47,051	57,202	-	-	64,650	182,925
Total revenue	**20,623**	**137,132**	**2,952,458**	**3,453,755**	**741,610**	-	**3,714,691**	**3,590,887**
Other income								
Gain/Loss on disposal of assets	-	-	(88,898)	5,000	-	-	(88,898)	5,000
Other income	-	-		-	-	-	-	-
Expenses	(872,327)	(639,787)	(3,676,112)	(2,979,367)	(1,183,775)	-	(5,732,214)	(3,619,154)
Loss on sale of joint venture	-	(400,689)	-	-	-	-	-	(400,689)
Impairment expense	(600,000)	-	-	-	-	-	(600,000)	-
Share of loss from joint venture	-	(1,541,386)	-	-	-	-	-	(1,541,386)
Share based compensation	(141,700)	(7,500)	-	-	-	-	(141,700)	(7,500)
Depreciation and amortisation	(1,964)	(634)	(59,633)	(49,358)	(822)	-	(62,419)	(49,992)
Finance costs	(129,894)	-	(4,653)	-	(13,203)	-	(147,750)	-
Loss before income tax	**(1,725,262)**	**(2,452,864)**	**(876,838)**	**430,030**	**(456,190)**	-	**(3,058,290)**	**(2,022,834)**
Income tax (expense)							(43,792)	(119,874)
Loss after income tax							**(3,102,082)**	**(2,142,708)**
Assets								
Segment assets	4,179,120	936,243	952,326	3,614,639	256,440	-	5,387,886	4,550,882
Total assets							**5,387,886**	**4550,882**
Liabilities								
Segment liabilities	1,994,048	(183,358)	1,202,967	1,096,843	758,049	-	3,955,064	913,485
Total liabilities							**3,955,064**	**913,485**

Notes to the Financial Statements
For the Year Ended 30 June 2017

28. COMMITMENTS

	2017 $	2016 $
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	105,886	170,526
One to five years	87,266	423,155
Minimum lease payments	**193,152**	**593,681**

Operating lease commitments includes contracted amounts for office space under non-cancellable operating lease. The lease at 100 Miller Street, North Sydney has been terminated effective 14 November 2017.

29. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

On 13 October 2016, the Group announced the acquisition of Nyko Property Pty Ltd. As disclosed in Note 26, there is an "earn-out" deferred consideration of up to $175,000, comprising of up to $87,500 (refer Note 17) and 4,861,111 in IBN shares (to be issued at 1.8c per share) subject to Nyko achieving a minimum of 85 sales over the 15 months from the completion date.

The Group had no other contingent liabilities or contingent assets at 30 June 2017. (30 June 2016: Nil)

30. SHARE-BASED PAYMENTS

	2017 $	2016 $
Share-based payment expense	**141,700**	**7,500**

At the Annual General Meeting held on 31 October 2016, shareholders approved the issue of 7,500,000 performance rights in three tranches to Calvin Ng, Andrew Jensen, John Kolenda and Adir Shiffman or their nominees respectively. The performance rights need to be issued within twelve months of receiving shareholder approval at the meeting. At the date of this report, they have not yet been issued.

In order to exercise the performance rights, there are two performance conditions that will work on an either-or-basis, as set out below:

- **Tranche 1 (1/3rd of grant):** either the 30-day volume weighted average of IBN's Share price in the six months prior to vesting equals or exceeds $0.025 or EBITDA (audited) for FY16, FY17, FY18 or FY19 equals or exceeds A$3 million.
- **Tranche 2 (1/3rd of grant):** either the 30-day volume weighted average of IBN's share price in the six months prior to vesting equals or exceeds $0.03 or EBITDA (audited) for FY16, FY17, FY18 or FY19 equals or exceeds A$3 million.
- **Tranche 3 (1/3rd of grant):** On or before, 1 July 2019, either the 30-day volume weighted average of IBN's share price in the six months prior to vesting equals or exceeds $0.036 or EBITDA (audited) for FY16, FY17, FY18 or FY19 equals or exceeds A$3 million.

Provided that the Performance Conditions have been satisfied, then each tranche of Performance Rights can be exercised into fully paid ordinary shares after each Vesting Date up until 30 September 2019 (expiry date). Further, the vesting conditions for the Performance Rights depends on the Directors meeting the service vesting condition (i.e. they must be Directors of IBN at the vesting date). John Kolenda and Adir Shiffman ceased as Directors during the year ended 30 June 2017, their performance rights have lapsed.

Directors' Declaration

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 14 to 47, are in accordance with the Corporations Act 2001 and:

   i. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and

   ii. give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the consolidated group;

2. in the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

3. the directors have been given the declarations required by s 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.

At the date of this declaration, there are reasonable grounds to believe that the companies which are party to this deed of cross guarantee will be able to meet any obligations or liabilities to which they are, or may become, subject to by virtue of the deed.

Signed in accordance with a resolution of the Board of Directors made pursuant to Section 295 (5) of the Corporations Act 2001.

Director: .... Dated this 31st day of August 2017

Mr Calvin Ng

Additional Information for Listed Entities

ASX ADDITIONAL INFORMATION

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 18 August 2017.

20 LARGEST SHAREHOLDERS

Shareholders	Balance	Percent
MARSHE NOMINEES PTY LTD	349,317,500	20.62
WALLIS-MANCE PTY LIMITED	117,000,000	6.91
MR MARK MENDEL	116,439,167	6.87
MRS SARAH CAMERON	101,368,898	5.98
MR GREGORY MAURICE PINKUS & MRS LISA MARIE PINKUS	33,333,336	1.97
TW CONSULTING CO LTD	32,475,000	1.92
NYKO GROUP PTY LTD	32,407,407	1.91
MR KAR WING NG & MS YOW TING LEE	25,300,000	1.49
EYEON NO 2 PTY LTD	20,495,231	1.21
EYEON INVESTMENTS PTY LTD	20,391,830	1.20
MR PETER JAMES NIXON	17,300,000	1.02
MR BERNARD WILLIAM LIVY & MRS DESMA LEA LIVY	17,250,000	1.02
MR RODERICK STUART HOWE & MRS JULIA MARY HOWE	17,000,000	1.00
REGNO CORP PTY LTD	16,716,666	0.99
DAVMI PTY LTD	16,666,670	0.98
J H FUNKY INVESTMENTS PTY LTD	16,650,000	0.98
MARCONI CAPITAL PTY LTD	15,000,000	0.89
MR CRAIG MATHEW ERSKINE-SMITH	14,258,336	0.84
BBHF PTY LTD	14,000,000	0.83
DARING INVESTMENTS PTY LTD	13,680,000	0.81
Total	**1,007,050,041**	**59.44**
Issued Share Capital	**1,694,043,103**	

SUBSTANTIAL HOLDERS

The following are recorded as substantial shareholders of iBuyNew Group Limited.

Shareholders	Balance	Percent
MR MARK MENDEL & MARSHE NOMINEES PTY LTD	165,005,000	27.49
WALLIS-MANCE PTY LIMITED	117,000,000	6.91
MRS SARAH CAMERON	101,368,898	5.98

HOLDING ANALYSIS

Holdings Ranges	Holders	Total units	%
1 – 1,000	538	207,517	0.013
1,001 – 5,000	360	835,930	0.049
5,001 – 10,000	121	857,098	0.051
10,001 – 100,0000	375	17,353,300	1.024
100,001 – 99,999,999	474	1,674,779,268	98.863
Totals	2,192	**1,694,043,103**	100.00

Additional Information for Listed Entities

NUMBER OF HOLDERS AND VOTING RIGHTS IN EACH CLASS OF SECURITIES

Class of Security	No of Holders	Voting Rights
Ordinary Shares	1,868	Yes
Performance rights	2	No

Subject to the ASX Listing Rules, the Company's Constitution and any special rights or restrictions attached to a share, at a meeting of shareholders:

- On a show of hands, each shareholder present (in person, by proxy, attorney or representative) has one vote; and
- On a poll, each shareholder present (in person, by proxy, attorney or representative) has;
  - One vote for each fully paid share they hold; and
  - A fraction of a vote for each partly paid share they hold.

UNMARKETABLE PARCELS OF SHARES

The number of shareholders with less than a marketable parcel of shares is 1,348.

CLASSES OF UNQUOTED SECURITIES

Class of Security	No of Holders	Total Units
Performance rights expiring 30/09/2019	2	15,000,000

GENERAL

There is no current on-market buy-back for the Company's securities.

Corporate Directory

Company Details

The registered office of the company is:
c/- Whittens & McKeough
Level 29, 201 Elizabeth Street
Sydney, NSW, 2000

Board of Directors

Non-Executive Chairman	Mr Kar Wing (Calvin) Ng
Managing Director and Chief Executive Officer	Mr Alessandro (Alex) Caraco
Non-Executive Directors	Mr Andrew Jensen
Company Secretary	Mrs Aliceson Rourke

Auditors, Solicitors and Bankers

Auditors	Stanton's International Level 2, 22 Pitt Street Sydney, NSW, 2000
Solicitors	Whittens & McKeough Level 29, 201 Elizabeth Street Sydney, NSW 2000
Bankers	Commonwealth Bank of Australia 48 Martin Place Sydney, NSW 2000

Share Registry

Share Registry	Link Market Services Limited Level 4, 152 St Georges Terrace Perth, WA, 6000

Stock Exchange Listing

The Company's shares are listed and quoted on the Australian Securities Exchange Limited ("ASX").

Home Exchange: Sydney, NSW, Australia

ASX Code: IBN

Website

www.ibuynew.com.au

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

31 August 2017

Board of Directors
iBuyNew Group Limited
Level 23
100 Miller Street
North Sydney, NSW 2060

Dear Directors

RE: IBUYNEW GROUP LIMITED

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

As Audit Director for the audit of the financial statements of iBuyNew Group Limited for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Martin Michalik

Martin Michalik
Director

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
iBUYNEW GROUP LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of iBuyNew Group Limited, the Company and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the 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.

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

Emphasis of Matter

Material Inherent Uncertainty Regarding Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matters:

As referred to in Note 1 (a) to the financial statements, the financial statements have been prepared on a going concern basis. As at 30 June 2017, the Group had working capital of $521,022 and had incurred a loss after tax for the year of $3,102,082. The ability of the Group to continue as a going concern is subject to the successful recapitalisation of the Group, commencement of profitable operations. In the event that the Board is not successful in recapitalising the Group and in raising further funds, the Group may not be able to pay its debts as and when they become due and may be required to realise its assets and discharge its liabilities other than in the normal course of business, and at amounts different to those stated in the financial report.

Key Audit Matters

In addition to the matters described in the Emphasis of Matter paragraphs, we have defined the matters described below to be key audit matters to be communicated in our report.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
Impairment of Intangibles (Goodwill) Intangibles include a balance of recognised Goodwill totalling $2,168,226 (refer to Note 14) as per the application of the Group's accounting policy for Intangible assets, set out in Note 1 (i). The carrying value of Goodwill is a key audit matter due to: • The significance of the total balance (approximately 40% of total assets); • For the Cash Generating Unit (CGU's) which contain goodwill, the determination of recoverable amounts, being the higher of fair value less costs to sell and value-in-use, requires judgement on the part of management in both identifying and then valuing the relevant CGU's; and • The assessment of impairment of the Group's goodwill balances incorporated judgement in respect of factors such as growth rates. Goodwill is also considered to be a key audit matter as the Group's value in use model for impairment included appropriate consideration of these factors on their significant estimates and judgements and the selection of key external and internal inputs.	Inter alia, our audit procedures included the following: i. The assessment of management's determination of the Group's CGU's based on our understanding of the nature of the Group's Business and economic environment in which the segments operate. We also analysed the internal reporting of the Group to assess how earnings streams are monitored and reported; ii. The evaluation of management's process regarding valuation of the Group's goodwill assets to determine any potential asset impairment. We tested management's models, such as the preparation and review of forecasts; iii. The audit of the Group's assumptions and estimates used to determine the recoverable value of its assets, including those relating to forecasted revenue, costs, and discount rates used; and iv. Checking the cash flow models and corroboration of underlying data.
Acquisition Accounting In July 2016, the Group acquired the remaining 50% of Find Solutions Australia Pty Ltd (not previously held by the Group) for total consideration of $5,923,500. On 31 October 2016, the Group also acquired 100% of Nyko Property Pty Ltd for consideration of $700,000 comprising of $350,000 in cash and 19,444,444 in IBuyNew Group Limited shares. The afore mentioned acquisitions have been identified as key audit matters as the acquisitions are material, and the accounting treatment required significant judgement, including, inter alia, the identification and determination of the fair value of assets and liabilities acquired as well as the contingent consideration payable in accordance with AASB 3.	Inter alia, our audit procedures included the following: i. Checking the purchase agreement and consideration paid; ii. Assessing the identification and valuation of the assets and liabilities acquired, and the contingent consideration recognised. This included reassessing and evaluating the Directors' estimates with respect to the fair value of the contingent consideration at year end; and iii. We considered the adequacy of the related disclosures made in the financial statements.

Recoverability of Trade receivables

As at 30 June 2017, the Group had trade receivables totalling $1,402,642 (refer to Note 10). Trade receivables are considered to be a key audit matter as they comprise approximately 26% of total assets. Trade receivables are also considered to be a key audit matter as the balance is subject to management's assessment as to recoverability (including the review of customers' aging profiles, credit history and status of subsequent settlement) to determine whether an impairment provision is required.	Inter alia, our audit procedures included the following: i. Obtained a list of outstanding receivables and identified any debtors with financial difficulty through discussion with management; ii. Checked subsequent receipts of trade receivables; and iii. Assessed the recoverability of the balances by comparing the outstanding amounts as at year end against subsequent settlements, and determined provision for non-recoverability.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 12 of the directors' report for the year ended 30 June 2017. In our opinion, the Remuneration Report of iBuyNew Group Limited for the year ended 30 June 2017 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.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik

Martin Michalik
Director

West Perth, Western Australia
31 August 2017