IBUYNEW GROUP LIMITED

Appendix 4E

Details of Reporting Period

ABN or equivalent company reference	20 108 958 274
Financial year end ("current period")	30 June 2018
Previous corresponding period	30 June 2017

Results for announcement to market

Financial Results				**June 2018 $**
Revenue	Up	48.02%	to	5,388,158
(Loss) after tax attributable to members	Down	43.81%	to	(1,742,748)
Net loss attributable to members	Down	43.92%	to	(1,802,126)

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

Earnings/(loss) per share	**June 2018**	**June 2017**
Basic and diluted loss per ordinary share	(0.096) cents	(0.311) cents

Net tangible asset backing	**June 2018**	**June 2017**
Net tangible asset backing per ordinary share	(0.0002) cents	(0.0004) cents

Financial Information	**June 2018**	**June 2017**
Revenue and other income	5,388,158	3,704,765
Operating expenses	(5,998,378)	(4,888,825)
Operating EBITDA	(694,763)	(1,184,060)
One-off and abnormal expenses	(779,999)	(1,673,987)
EBITDA	(1,474,762)	(2,858,047)
NPAT	(1,742,748)	(3,102,082)
One-off and abnormal expenses in FY18 included bad debts provision $53,890, legal fees and due diligence $117,506, redundancy costs $19,245, web development $73,313, impairment of goodwill $450,000 and other costs $66,045. FY17 comparatives included share-based payment expense $141,700, bad debts provision $290,173, loss on disposal of assets $88,898, legal fees on investments $53,171, capital raising costs $151,000, redundancy costs $50,251, web development $220,000, impairment of goodwill $600,000 and other costs $78,794.		

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 2018

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DIRECTOR'S REPORT

The Directors present their report, together with the financial statements of the Group, being iBuyNew Group Limited ("the Company") and the entities it controlled, for the financial year ended 30 June 2018.

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 Warren McCarthy	**Chairman (Non-executive Director) (Appointed 1 June 2018)**
Qualifications and Experience	Mr Warren McCarthy is an experienced Director seasoned in all aspects of real estate business, strategy and investment with significant expertise in sales, property management, franchising and e-commerce platforms. Warren is currently the Managing Director of McCarthy Business Consultants and was the former CEO of Hooker Corporation Limited, Chairman of L.J. Hooker Limited and between 2004 and 2009 was the CEO and Chairman of LJ Hooker Financial Services. During his tenure with Hooker Corporation Limited, he led the LJ Hooker franchise network, exponentially growing market share, creating strong brand awareness and increased profitability for the Group. The franchise network, across 12 countries comprised over 7000 people across 750 franchises, specialising in Residential, Commercial, Rural, Business Broking, Project Marketing and Property Management. .
Interest in shares and options	None.
Special responsibilities	Chairman - Appointed 24 August 2018
Other directorships in listed entities held in the previous three years	None.
Mr Kar Wing Ng	**Director (Non-executive) (Appointed Non-executive Director 24 August 2018)**
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. Unlisted Performance Rights: 7,500,000
Special responsibilities	Chairman - Resigned 24 August 2018
Other directorships in listed entities held in the previous three years	Catapult Group International Limited (ASX:CAT).

Mr Stephen Quantrill	**Director (Non-executive) (Appointed 20 February 2018)**
Qualifications and Experience	Mr Stephen Quantrill has over 20 years' experience in multifaceted roles in business leadership, ownership and advisory. He acts as Chairman and Company Director across a range of businesses and industries, including in investment, resources (iron ore, oil and gas), property, bio-technology, agri-industry, advisory and engineering. Stephen's roles include Executive Chairman of McRae Investments, the venture capital and investment holding company established by Harold Clough in 1965. He holds a BSc (Civil Engineering), Bachelor of Commerce, and an MBA, and is a Fellow of FINSIA, a Graduate Member of the Australian Institute of Company Directors, and a Member of Engineers Australia.
Interest in shares and options	None.
Special responsibilities	None.
Other directorships in listed entities held in the previous three years	NeuroScientific Biopharmaceuticals (ASX: NSB).
Mr Andrew Jensen	**Director (Non-executive) (Resigned 31 May 2018)**
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).
Mr Alessandro Caraco	**Managing Director (Chief Executive Officer) (Resigned 24 August 2018)**
Qualifications and Experience	Mr Alessandro (Alex) Caraco is a seasoned professional with over 37 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 – Resigned 24 August 2018.
Other directorships in listed entities held in the previous three years	None.

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.

Principal activities and significant changes in nature of activities

iBuyNew Group Limited operates iBuyNew.com.au and Nyko Property. iBuyNew and Nyko respectfully operate a leading Australian online marketplace and a research and advisory firm that helps buyers find, compare and buy new property.

iBuyNew.com.au is a platform where Australians go to buy new property. The platform allows prospective buyers to compare, reserve and buy from more than 7,990 listings across 310 developments. Nyko focuses on new property distribution to B2B/corporate partners through research reports and its advisory services. Together, the businesses distribute new property sales across B2C and B2B channels across Australia.

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 decreased by 43.81% to $1,742,748 after providing for income tax (2017: $3,102,082 loss). Revenue increased by 48.02% to $5,388,158 compared to (2017: $3,640,115). The net assets of the Group at 30 June 2018 decreased to $1,371,287 (2017: $1,432,822) while current assets decreased to $2,214,449 (2017: $2,968,249).

A summary of the statutory and underlying financial results from operations for FY18 is set out below:

iBuyNew Group Limited Results	FY18	FY17	Change
	$'000	$'000	%
Statutory Results			
Revenue	5,388	3,640	48.02%
EBITDA	(1,474)	(2,858)	48.43%
Loss before tax	(1,743)	(3,058)	43.00%
Loss from continuing operations	(1,743)	(3,102)	43.81%
Underlying Results			
Revenue	5,388	3,640	48.02%
Capital, transaction and other one off costs	(780)	(1,674)	53.41%
EBITDA	(694)	(1,184)	41.39%
Loss before tax	(963)	(1,384)	30.42%
Loss from continuing operations	(963)	(1,428)	32.56%
FY17 reflects 100% of iBuyNew over the full year and only eight months of Nyko results (November - June 2017)			

The results included expenses that were required in compliance with IFRS and Australian Accounting Standards. These included the revaluation of the convertible note $84k and the revaluation of the investment in Real Estate Investor Limited $59k.

In addition, an impairment expense of $450,000 was recognised relating to the goodwill on acquisition of iBuyNew Pty Ltd ($217,780) and Nyko Property Australia Pty Ltd ($232,220).

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 market concerns over the Australian property market the Board have taken a conservative and prudent approach in recognising potential impairment.

Further, approximately $330k of one-off and non-recurring costs have been recognised in the Group's expenses for the full year relating to costs for the acquisition of the IPG assets, due diligence on potential acquisitions, doubtful debts provision, redundancies, website redesign and office relocation expenses.

Further, the Group successfully repaid $337k in debt / deferred consideration relating to the acquisition of both iBuyNew and Nyko in FY17 and extended the terms of the convertible note with the majority of noteholders for an additional twelve months.

At the end of FY18 the Company held a consolidated cash balance $1.17m (including restricted cash of $115k). The Group expects a decrease in cash balances in H1 FY19 with the requirement to repay $500k in debt, being the repayment of convertible notes $250k and the final $250k payment for the acquisition of iBuyNew.

Strategic Developments

The Company remains committed to executing its strategy of investing into technology and remains focused on being an owner, developer and operator of retail, franchise or e-commerce brands and continues to make additional investment into its technology platform to retain its leading edge in online property and services.

During the year, the Company successfully completed a capital raising program and raised $1.12m (after transaction costs). This has provided working capital and allowed the Company to retire debt. $87.5k was paid as the deferred consideration for the acquisition of Nyko and $250k was paid as part payment of the second deferred cash consideration for the acquisition of Find Solutions Australia (the entity which owns the iBuyNew business). The has now been reduced from $500k to $250k with the balance payable no later than 31 December 2018.

The Company also restructured the Convertible Note facility with noteholders holding 61,111,115 Convertible Notes or $1.1m of debt agreeing to vary the terms. The revised terms are as follows.

- The Convertible Notes were extended for an additional 12 months with a new maturity date of 36 months from the date of issue, being 30 September 2019 unless redeemed or converted earlier.
- Each Convertible Note may be redeemed or converted to the Company's shares at any time prior to the maturity date at an initial conversion price of $0.009 per Share, subject to further adjustments in certain circumstances as described in the "Convertible Note Deed Poll".

The remaining noteholders who did not agree to vary the terms $250k will be paid no later than 30 September 2018, further reducing the debt position of the Company.

In February 2018, the Company announced the completion of the acquisition of the assets of leading Western Australian real-estate project marketing business Indo-pacific Property. The assets purchased included a $2.3m future commissions receivable book, a property management business and rent roll and associated brands and intellectual property. The consideration for the purchase was $625k payable via the issuance of 208,333,333 IBN shares at $0.003 per share.

The Company has explored and undertaken due diligence on potential complimentary technology acquisitions during the year with the Company making a prudent decision not to proceed with further investment due to prevailing market conditions combined with the high level of debt that would be acquired with the potential transactions. The Company will continue to pursue opportunities as they arise as part of the long-term strategy of creating a leading global platform for new property distribution.

Operational Performance

The Australian property market continued to weaken throughout FY18, resulting in a reduction of transactions across both the IBN and Nyko business divisions. The Company has focused on increasing commissions, improving total transactional value ("TTV") growth and accelerating revenue through the sale of completed properties.

Despite the current market environment, the Group continued to produce positive results which reflect well for FY19 and beyond.

FY18 Key Highlights

- $5.38m in Gross Revenue from Exchange and Settlements an 48.02% increase from $3.64m in FY17. This has allowed the Company to reduce its debt position and fund future growth strategies;
- $4.77m in Commissions Generated[1], a 10.41% increase from $4.32m in FY17;
- Average commissions generated across the group increased by 41.62% against FY17 to $37.53k per sale in comparison to $26.50k;
- Average total transactional value **("TTV")** generated across the group increased by 24.21% against FY17 to $640k per sale in comparison to $515k;
- $81.32m generated in TTV a 3.21% decrease from $84.02m in FY17;
- 127 new property sales, a decrease of 22.08% from 163 sales in FY17; and
- The Company's future gross commissions receivable book is now valued at $6.01m at 30 June 2018 (subject to settlement).

	FY18	FY17	% Difference
TTV	$81.32M	$84.02M	(3.21%)
Average TTV per Sale	$640.30K	$515.46K	24.21%
Sales	127	163	(22.08%)
Commissions Generated [1]	$4.77M	$4.32M	10.41%
Average Commissions Generated per Sale	$37.53K	$26.50K	41.62%
Gross Revenue from Exchange and Settlements[2]	$5.38M	$3.64M	48.02%

[1] "**Commissions Generated**" refers to the commissions payable on properties sold during the period and includes an amount paid immediately upon contract exchange ("**exchange income**") and an amount expected to be payable in the future when the property is completed, and the contract is settled ("**settlement income**")

[2] "**Gross Revenue from Exchange and Settlements**" comprises both upfront exchange income plus settlement income from past property sales. It does not include any future settlement income commissions owed but not yet paid.

Inventory on offer now exceeds 7,990 listings across 310 developments with developers providing increased incentives and offering higher commissions for sales. Working with both partner agencies, channel partners and Nyko's B2B partners, we are promoting these opportunities through regular direct marketing seminars across the country in conjunction with improvements to our e-commerce platform.

The Company has restructured all business divisions fully leveraging synergies and resources between both iBuyNew and Nyko and continues to review its cost base in order to improve profitability across the Group.

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 (2018: Nil, 2017: Nil).

Events since the end of the financial year

The Group has received an update from the Flight Centre Group Limited (ASX: FLT) relating to the Groups potential future payment to be determined by reference to the FY18 EBITDA performance of Professional Performance Systems Pty Ltd the owner of BYOjet Group. FLT has advised that no future payment amount is payable to the Group as part of the agreed accelerated sell down as announced 19 February 2016.

On 24 August 2018, Bill Nikolouzakis was appointed Chief Executive Officer of the Company. In connection with his appointment, the Company awarded Bill with 60 million performance rights issued and, if vested, exercisable for nil consideration.

Events since the end of the financial year (continued)

Apart from the matters above, no 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. The Group continues to expand its national and international footprint and relationships as well as developing its e-commerce platform and generate supporting revenue through expansion into property management and retail sales.

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 may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. 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 ended 30 June 2018.

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

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

	Directors' Meetings	
	Number eligible to attend	Number attended
Mr Calvin Ng	11	11
Mr Stephen Quantrill	6	4
Mr Warren McCarthy	2	1
Mr Alex Caraco	11	11
Mr Andrew Jensen	9	9

Shares under option

On 16 January 2018, 20,000,000 unlisted options were issued as partial consideration for the provision of advisory services. The options were issued for nil consideration and exercisable at $0.01 per share, expiring 15 January 2019.

On 4 April 2018, 60,500,000 unlisted options were issued as free attaching options to the participants of the capital raise that successfully raised $1,210,000. The options are exercisable at $0.02 per share and expire two weeks after the Company releases its FY20 full year financial results.

No shares were issued on the exercise of options during the financial year ended 30 June 2018. No further shares have been issued on the exercise of options since 30 June 2018.

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 Warren McCarthy	Non-executive Director	1st June 2018	Current
Mr Calvin Ng	Non-executive Director	1 February 2013	Current
Mr Stephen Quantrill	Non-executive Director	20 February 2018	Current
Mr Bill Nikolouzakis	CEO	24 August 2018	Current
Mr Alex Caraco	CEO and Managing Director	22 March 2017	24 August 2018
Mr Andrew Jensen	Non-executive Director	12 September 2014	31 May 2018

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, and former Directors Andrew Jensen, John Kolenda and Adir Shiffman or their nominees respectively. The performance rights were issued on 30 October 2017 to Calvin Ng and Andrew Jensen.

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 Andrew Jensen resigned 31 May 2018 and both 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 four years earnings and total shareholders return.

	$ 2018	$ 2017	$ 2016	$ 2015
Revenue	5,388,158	3,640,115	3,390,542	109,175
EBITDA	(1,474,762)	(2,858,047)	(1,990,262)	(127,184)
EBIT	(1,537,829)	(2,920,446)	(2,040,254)	(146,204)
Loss after income tax	(1,742,748)	(3,102,082)	(2,142,708)	(108,580)

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

	$ 2018	$ 2017	$ 2016	$ 2015
Share price at financial year end	0.003	0.003	0.0126	0.0135
Total dividends declared	-	-	-	-
Basic earnings per share	(0.096)	(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 2018, the Group paid Non-executive directors a total of $70,804 ($241,275 in 2017).

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 Mr Caraco and Mr Nikolouzakis, none of the other executive's remuneration is at risk' remuneration. Refer below for further information on Mr Caraco's and Mr Nikolouzakis's remuneration.

Remuneration details for the year ended 30 June 2018

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
2018	$	$	$	$	$
Directors					
Non-executive directors					
Calvin Ng	30,000	-	-	-	30,000
Stephen Quantrill	10,804	-	-	-	10,804
Warren McCarthy	2,500	-	-	-	2,500
Andrew Jensen	27,500	-	-	-	27,500
Total non-executive directors	**70,804**	**-**	**-**	**-**	**70,804**
Executive directors and key management					
Alex Caraco	175,489	-	16,671	-	192,160
Bill Nikolouzakis	247,850	-	23,546	-	271,396
Total	**494,143**	**-**	**40,217**	**-**	**534,360**

Mr Stephen Quantrill was appointed as Non-executive Director on 20 February 2018. Mr Warren McCarthy was appointed as Non-executive Director on 1 June 2018. Mr Andrew Jensen resigned on 31 May 2018. Mr Alex Caraco resigned on 24 August 2018. Mr Bill Nikolouzakis was appointed as CEO on 24 August 2018 and was an employee during FY18.

2017	Short-term benefits Salary and fees $	Non-monetary benefits $	Post-employment benefits Superannuation $	Share based payments Other $	Total $
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
Bill Nikolouzakis	155,269		13,243	-	168,512
Total	**896,462**	**-**	**52,534**	**141,700**	**1,090,696**

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.

During the financial year, $21,250 was paid to Warren McCarthy for advisory services prior to his commencement as a Director. A related party of Alex Caraco (CB Online Pty Ltd) was paid $54,646 for sales commission and override payments during the year.

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
2018				
Calvin Ng	34,991,680	-	-	34,991,680
Stephen Quantrill	-	-	-	-
Warren McCarthy	-	-	-	-
Alex Caraco	166,670	-	-	166,670
Andrew Jensen	6,418,889	-	(6,418,889)	-
Bill Nikolouzakis	32,407,407	-	4,861,111	37,268,518
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
Bill Nikolouzakis	-	-	32,407,407	32,407,407
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 2017: 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	
	2018	2017	2018	2017	2018	2017
	%	%	%	%	%	%
Directors						
Calvin Ng	100.00	59.71	-	-	-	40.29
Stephen Quantrill	100.00	-	-	-	-	-
Warren McCarthy	100.00	-	-	-	-	-
Alex Caraco	96.87	100.00	3.13	-	-	-
Bill Nikolouzakis	90.78	95.85	9.22	4.15	-	-
Andrew Jensen	100.00	89.18	-	-	-	10.82
John Kolenda	-	54.54	-	-	-	45.46
Adir Shiffman	-	53.03	-	-	-	46.97
Mark Mendel	-	100.00	-	-	-	-

Service agreements

During the 2018 financial year, Bill Nikolouzakis was an employee of the Group under an agreement commencing on the 1 November 2016.

Under the terms of this contract:

- Mr Nikolouzakis may resign from his position and thus terminate this contract by giving three months' written notice.
- The Group may terminate the employment agreement by providing three months' written notice or providing payment in lieu of the notice period (based on the fixed component of Mr Nikolouzakis remuneration).
- The Group may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, the employee is only entitled to that portion of remuneration which is fixed, and only up to the date of termination.
- Mr Nikolouzakis's employment agreement provides for issuing performance incentives subject to the discretion of the Board. During the 2018 financial year there has been no performance incentive issued to Mr Nikolouzakis.
- The remuneration package is structured as follows:
  - (a) Salary of $225,000 (plus superannuation) per annum commencing on the Appointment Date up to (and including) 30 June 2018; and
  - (b) an override commission of $1,000 payable on each sale sold by Nyko (excluding any sales by the IBN business) quarterly if sales in that quarter exceed 14 sales.

From 24 August 2018, Bill Nikolouzakis was appointed as CEO of the Group.

Under the terms of this contract

- Mr Nikolouzakis may resign from his position and thus terminate this contract by giving three months' written notice.
- The Group may terminate the employment agreement by providing three months' written notice or providing payment in lieu of the notice period (based on the fixed component of Mr Nikolouzakis remuneration).

- The Group may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, the employee is only entitled to that portion of remuneration which is fixed, and only up to the date of termination.

- The remuneration package is structured as a salary of $240,000 (plus superannuation) per annum commencing on the Appointment Date.

- Mr Nikolouzakis's employment agreement provides for issuing performance incentives subject to the achievement of defined targets. These include;

  (a) Short Term Incentives for the financial years ending FY19 and FY20 will be calculated on each six month period (ie each financial year and each half year as follows;

Benchmark	100% Revenue Target	200% Revenue Target
Where the financial year or half year (as applicable) to date Earnings before Interest and Taxes (EBIT) > $1	$50,000 for the relevant six month period.	$100,000 for the relevant six month period.

  (b) Long Term Incentives being Sixty (60) million performance rights issued and, if vested, exercisable for nil consideration. Unvested performance rights will lapse and vested but unexercised performance rights will expire on 31 December 2020. The performance rights will vest of the next two years subject to meeting the following key performance metrics.

Benchmark	FY19 Vesting Conditions	FY20 Vesting Conditions
Revenue	10% will vest on the Company achieving at least $6.12 million gross annual revenue FY19.	10% will vest on the Company achieving at least $6.12 million x 1.33 gross annual revenue FY20.
Profitability	10% will vest on the Company achieving earnings before interest and tax (EBIT) of greater than $0 in FY19.	10% will vest on the Company achieving earnings before interest and tax (EBIT) of greater than $0 in FY20.
Operating cashflow positively	10% will vest on the Company achieving positive annual cashflow of greater than $0 in FY19.	10% will vest on the Company achieving positive annual cashflow of greater than $0 in FY20.
Share Price	20% will vest when a share price of $0.005 per share is maintained in relation to the Company for a minimum of 20 consecutive days trading on ASX in FY19.	20% will vest when a share price of $0.01 per share is maintained in relation to the Company for a minimum of 20 consecutive days trading on ASX in FY20.

Alex Caraco, was an employee of the Group under an agreement commencing on 22 March 2017, resigning on 24 August 2018.

Under the terms of the 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 2018 financial year there has been no performance incentive issued to Mr Caraco.

- The remuneration package is structured as follows:

  (c) 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;

  (d) 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, all Non-executive Directors 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:

	Granted and Vested in 2018	Value at grant date	Value expensed in 2018	Proportion of remuneration
Share-based payments	**No**	**$**	**$**	**%**
Directors				
Calvin Ng	-	-	-	-
Stephen Quantrill	-	-	-	-
Warren McCarthy	-	-	-	-
Alex Caraco	-	-	-	-
Andrew Jensen	-	-	-	-

	Granted and Vested in 2017	Value at grant date	Value expensed in 2017	Proportion of remuneration
Share-based payments	**No**	**$**	**$**	**%**
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

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 2018 has been received and can be found on page 53 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 Warren McCarthy

Dated this 31st day of August 2018

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 2018 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 2018

	Note	Consolidated 2018 $	2017 $
Revenue	3	5,388,158	3,640,115
Other revenue	3	90,048	64,650
Gain on disposal of subsidiary	3	-	-
		5,478,206	**3,704,765**
Less Expenditure			
Administration expense		(1,642,565)	(1,621,148)
Bad debts expense		(53,893)	(290,173)
Depreciation and amortisation expense		(63,667)	(62,419)
Direct operating expense		(2,407,159)	(1,248,551)
Directors and consultant expense		(421,453)	(375,402)
Employee benefits expense		(1,586,195)	(1,947,413)
Impairment expense		(450,000)	(600,000)
Occupancy expenses		(302,160)	(249,527)
Share-based compensation		(5,000)	(141,700)
Revaluation of the convertible note		(83,943)	-
Loss on disposal of fixed assets		-	(88,898)
Operating Loss before finance costs		**(1,537,829)**	**(2,920,466)**
Financial income		12,644	9,926
Financial expenses		(217,563)	(147,750)
Net financing costs		**(204,919)**	**(137,824)**
Loss before income tax		**(1,742,748)**	**(3,058,290)**
Income tax expense	5	-	(43,792)
Loss for the year after income tax		**(1,742,748)**	**(3,102,082)**
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		(59,378)	(111,399)
Exchange differences on translation of foreign exchange		-	-
Total comprehensive loss for the year		**(1,802,126)**	**(3,213,481)**
Loss for the year attributable to:			
Owners of iBuyNew Group Limited		(1,742,748)	(3,102,082)
Non-controlling interest		-	-
		(1,742,748)	**(3,102,082)**
Total comprehensive income for the year attributable to:			
Owners of iBuyNew Group Limited		(1,802,126)	(3,213,481)
Non-controlling interest		-	-
		(1,802,126)	**(3,213,481)**
Earnings per share for loss attributable to the owners of iBuyNew Group Limited			
Basic earnings per share (cents)	8	(0,096)	(0.311)
Diluted earnings per share (cents)	8	(0.096)	(0.311)

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 2018

	Note	Consolidated 2018 $	2017 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	1,176,923	1,454,915
Trade and other receivables	10	631,286	1,402,642
Other assets	12	406,240	110,692
TOTAL CURRENT ASSETS		2,214,449	2,968,249
NON-CURRENT ASSETS			
Plant and equipment	13	46,959	31,743
Other non-current assets	12	452,116	139,858
Financial assets	11	45,970	79,810
Intangible assets	14	1,718,226	2,168,226
TOTAL NON-CURRENT ASSETS		2,263,271	2,419,637
TOTAL ASSETS		4,477,720	5,387,886
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	1,354,316	1,749,722
Loans and borrowings	16	499,040	250,000
Other liabilities	17	17,536	87,500
Deferred revenue	15	19,550	306,215
Employee provisions	18	77,628	53,790
TOTAL CURRENT LIABILITIES		1,968,070	2,447,227
NON-CURRENT LIABILITIES			
Other liabilities	17	45,653	-
Loans and borrowings	16	1,092,710	1,507,837
TOTAL NON-CURRENT LIABILITIES		1,138,363	1,507,837
TOTAL LIABILITIES		3,106,433	3,955,064
NET ASSETS		**1,371,287**	**1,432,822**
EQUITY			
Issued capital	19	53,292,740	51,569,948
Reserves	20	(9,778)	31,801
Accumulated losses		(51,901,675)	(50,168,927)
Owners of iBuyNew Group Limited		1,371,287	1,432,822
Non-controlling interest		-	-
TOTAL EQUITY		**1,371,287**	**1,432,822**

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

IBUYNEW GROUP LIMITED

ABN 20 108 958 274

Statement of Changes in Equity
For the Year Ended 30 June 2018

	Note	Issued Capital $	General Reserve $	Share Based Payments Reserve $	Accumulated Losses $	Non-controlling Interest $	Total Equity $
Consolidated							
Balance at 1 July 2017		**51,569,948**	**(109,899)**	**141,700**	**(50,168,927)**	**-**	**1,432,822**
Loss for the year after income tax		-	-	-	(1,742,748)	-	(1,742,748)
Other comprehensive income		-	(59,378)	-	-	-	(59,378)
Total comprehensive income for the year, net of tax		**-**	**(59,388)**	**-**	**(1,742,748)**	**-**	**(1,802,126)**
Transactions with equity holders							
Share based payments	30	-	-	17,799	-	-	**17,799**
Shares issued during the year - net of transaction costs	19	1,722,792	-	-	-	-	**1,722,792**
Acquisition of non-controlling interests		-	-	-	-	-	-
Balance at 30 June 2018		**53,292,740**	**(169,277)**	**159,499**	**(51,911,675)**	**-**	**(1,371,287)**
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**

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 2018

	Note	Consolidated 2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		6,754,296	3,278,550
Payments to suppliers and employees		(7,260,363)	(4,902,720)
Interest received		12,644	9,926
Finance costs		(175,853)	(132,231)
Income tax		(11,752)	(136,699)
Net cash (used in) operating activities	21	(681,028)	(1,883,174)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of subsidiary, net of cash acquired		-	(274,124)
Net security deposits received / (paid)		45,435	34,391
Payment of deferred consideration		(87,500)	(500,000)
Net cash inflow / (outflow) from restricted cash		(363,523)	-
Purchase of investments		(25,539)	(154,258)
Purchase of property, plant and equipment		(31,427)	(21,292)
Net cash (used in) investing activities		(462,554)	(915,283)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		1,210,000	1,512,853
Transaction costs relating to issue of shares		(94,410)	(103,148)
Proceeds from Loans and borrowings		-	1,350,000
Transaction costs relating to issue of loans and borrowings		-	(99,125)
Repayment of Loans and borrowings		(250,000)	(63,954)
Net cash provided by financing activities		865,590	2,596,626
Net (decrease) / increase in cash and cash equivalents held		**(277,992)**	**(201,831)**
Cash and cash equivalents at beginning of financial year		1,454,915	1,656,746
Cash and cash equivalents at end of financial year	9	**1,176,923**	**1,454,915**

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 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

iBuyNew 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 2018.

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.

(a) Going concern

The Group incurred a net loss of $1,742,748 and experienced total cash outflows from operating activities of $681,028 and had that date, had current assets of $2,214,449 (2017: current assets of $2,968,249).

The cash flow forecast indicates that the Group has sufficient cash flows to meet all commitments and working capital requirements for a period of at least 12 months from the date of signing the financial report. Accordingly, the directors are satisfied that the going concern basis of preparation is appropriate.

Management plan to raise funds from existing or new shareholders in the form of additional capital raisings, and continually maintain sufficient cash and realisable assets to cover all anticipated entity operating costs and liabilities in the normal course of business, for a period of 12 months or more.

The financial report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

(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 2018 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.

Notes to the Financial Statements
For the Year Ended 30 June 2018

(h) Plant and equipment (continued)

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.

Depreciation

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.

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 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.

<u>Short term employee benefits</u>

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.

<u>Other long-term employee benefits</u>

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.

(n) Employee benefits (continued)

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.

Foreign currency transactions

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

(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

(r) Goods and Services Tax (GST) (continued)

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 2018. 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 (applicable to annual reporting periods commencing on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

The Group will adopt this standard from 1 July 2018. The directors believe that the adoption of AASB 9 will have no impact on the Group's financial instruments.

AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2018).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

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 the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108, *Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15), or recognise* the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements.

The Group will adopt this standard from 1 July 2018. Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial instruments it is impractical at this stage to provide a reasonable estimate of such impact.

AASB 16: *Leases* (applicable to annual reporting periods commencing on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as either operating leases or finance leases. Lessor accounting remains similar to current practice.

The main changes introduced by the new Standard are as follows:

- recognition of the right-to-use asset and liability for all leases (excluding short term leases with less than 12 months of tenure and leases relating to low value assets);

- depreciating the right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lease to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity at the date of initial application.

Although the directors anticipate that the adoption of AASB 16 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 2014-10*: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (applicable to annual reporting periods commencing on or after 1 January 2018).

This Standard amends AASB 10: *Consolidated Financial Statements* with regards to a parent losing control over a subsidiary that is not a "business" as defined in AASB 3: *Business Combinations* to an associate or joint venture and requires that:

- a gain or loss (including any amounts in other comprehensive income (OCI)) be recognised only to the extent of the unrelated investor's interest in that associate or joint venture;
- the remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and
- any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the extent of the unrelated investor's interest in the associate or joint venture. The remaining gain or loss should be eliminated against the carrying amount of the remaining investment.

The directors anticipate that the adoption of this amendment will not have a material impact on the Group's financial statements).

AASB 2016-5: *Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions* (applicable to annual reporting periods commencing on or after 1 January 2018).

The AASB issued amendments to AASB 2 *Share-based Payment* that address three main areas:

- the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction;
- the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and
- accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. Early application of this amendment is permitted.

The directors anticipate that the adoption of this amendment will not have a material impact on the Group's financial statements).

AASB 2016-6 Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts applicable for annual reporting period commencing 1 January 2018)

The amendments address concerns arising from implementing the new financial instruments standard, AASB 9, before implementing AASB 17 Insurance Contracts, which replaces AASB 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying AASB 9 and an overlay approach. The temporary exemption is first applied for reporting periods beginning on or after 1 January 2018. An entity may elect the overlay approach when it first applies AASB 9 and apply that approach retrospectively to financial assets designated on transition to AASB 9. The entity restates comparative information reflecting the overlay approach if, and only if, the entity restates comparative information when applying AASB 9. These amendments are not applicable to 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.

Amortisation and impairment of the assets acquired from Indo-Pacific Property

The Group paid $625,000 through the issue of shares for the acquisition of the assets of Indo-Pacific Property including a c.$2.3m settlement book and a property rent roll. The amortisation and impairment assessment requires a degree of estimation and judgement. The Group amortises the asset based on the collection of funds. The level of amortisation will be accelerated taking into account historical collection rates and specific knowledge relating to the future collection of the settlement book.

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.

(w) Critical accounting estimates and judgements (continued)

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.

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 2018

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.

	2018	2017
Statement of Financial Position	$	$
CURRENT ASSETS		
Cash and cash equivalents	784,834	9,193
Trade and other receivables	-	-
Other current assets	73,860	53,694
TOTAL CURRENT ASSETS	858,694	62,887
NON-CURRENT ASSETS		
Intangible assets		-
Financial assets	45,970	79,810
Property, plant and equipment	1,956	1,388
Other non-current assets	-	-
Investment in subsidiary	1,718,226	2,168,226
TOTAL NON-CURRENT ASSETS	1,766,152	2,249,424
TOTAL ASSETS	2,624,846	2,312,311
CURRENT LIABILITIES		
Trade and other payables	206,357	148,743
Other liabilities	-	87,500
Employee Provisions	-	-
Loans and borrowings	499,040	250,000
TOTAL CURRENT LIABILITIES	705,397	486,243
NON-CURRENT LIABILITIES		
Loans and borrowings	1,092,710	1,507,807
TOTAL NON-CURRENT LIABILITIES	1,092,710	1,507,807
TOTAL LIABILITIES	1,798,107	1,994,050
NET ASSETS	**826,739**	**318,261**
EQUITY		
Issued capital	53,292,740	51,569,948
Reserves	(9,778)	31,801
Accumulated losses	(52,456,223)	(51,283,488)
TOTAL EQUITY	**826,739**	**318,261**
Statement of Profit or Loss and Other Comprehensive Income		
Loss of the parent entity	(1,172,693)	(9,951,589)
Total comprehensive loss for the year	**(1,113,315)**	**(9,951,489)**

The parent entity has not provided any guarantees as at 30 June 2018 (30 June 2017: NIL). The parent entity had no capital commitments at 30 June 2018 (30 June 2017: NIL).

Notes to the Financial Statements
For the Year Ended 30 June 2018

3. REVENUE AND OTHER INCOME

Revenue from continuing operations

	2018 $	2017 $
Revenue:		
- Commission – IBN e-commerce sales	3,175,554	2,898,505
- Commission – Nyko advisory services	2,212,604	741,610
	5,388,158	3,640,115
Other revenue:		
- other revenue	90,048	64,650
Total Revenue	**5,478,206**	**3,704,765**

4. LOSS FOR THE YEAR

Loss before income tax includes the following specific expenses:

	2018 $	2017 $
Direct operating expense	(2,407,159)	(1,248,551)
Finance costs	(217,563)	(147,750)
Bad debts expense	(53,893)	(290,173)
Share-based compensation	-	(141,700)
Depreciation and amortisation expense	(63,667)	(62,419)
Loss on disposal of fixed assets	-	(88,898)
Revaluation of the convertible note	(83,943)	-
Impairment expense	(450,000)	(600,000)

Notes to the Financial Statements
For the Year Ended 30 June 2018

5. INCOME TAX

	2018	2017
(a) The major components of income tax expense comprise:	**$**	**$**
Income tax expense	-	**43,792**

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

Loss for year before income tax expense	(1,742,748)	(3,058,290)
Prima facie tax benefit on loss from ordinary activities before income tax at 27.50% (2017: 27.50%)	(479,256)	(841,030)
Add / (less) tax effect of:		
- Under / overs of prior year	-	43,792
- Non-assessable income	(20,162)	(10,091)
- Non-deductible expenses	12,313	33,206
- Tax losses not brought to account	487,105	817,915
Income tax expense	**-**	**43,792**

	2018	2017
c) Recognised temporary differences in deferred tax assets	**$**	$
- Provisions	-	-
- Accrued expense	-	-
- Depreciation expense	-	-
Deferred tax assets	**-**	**-**

	2018	2017
(d) Unrecognised temporary differences deferred tax assets / (liabilities)	**$**	$
- Provisions	26,119	19,898
- Section 40-880 deduction	86,946	59,986
- Depreciation	(1,926)	-
- Impairment	(301,800)	-
- Revenue losses carried forward	1,758,598	1,333,928
- Capital losses carried forward	556,311	606,885
- Capitalised investment costs	1,886,268	2,059,847
- Accrued income	(33,383)	(1,687)
- Accrued expenses	51,317	63,137
Potential future tax benefit	**4,028,450**	**4,141,994**

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 in 2017.

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
- Stephen Quantrill
- Warren McCarthy
- Alex Caraco
- Andrew Jensen
- Bill Nikolouzakis

(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 2018.

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

	2018 $	2017 $
Short-term employment benefits	494,143	896,462
Non-monetary benefits	-	-
Post-employment benefits	40,217	52,534
Share-based payments	-	141,700
	534,360	**1,090,696**

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:

	2018 $	2017 $
Audit or review of the Group	51,000	50,500
Other services	-	14,000
	51,000	**64,500**

Notes to the Financial Statements
For the Year Ended 30 June 2018

8. LOSS PER SHARE

	2018 $	2017 $
Basic and diluted earnings per share (in cents)	(0.096)	(0.311)
Reconciliation of loss to profit or loss from continuing operations		
Loss for the year	(1,742,748)	(3,102,082)
Adjustments:		
Deduct: Profit attributable to non-controlling interest	-	-
Loss used in calculating basic and diluted loss per share	**(1,742,748)**	**(3,102,082)**

	No.	No.
Weighted average number of ordinary shares used in calculating basic and dilutive earnings per share	1,816,778,187	997,771,441

Performance Rights and Options

Shareholders approved the issue of 30,000,000 performance rights to Directors at the Annual General Meeting held on 31 October 2016. 15,000,000 lapsed during the year ended 30 June 2017 following the resignation of Adir Shiffman and John Kolenda. 7,500,000 performance rights were issued to Andrew Jensen and Calvin Ng on the 30 October 2017. 7,500,000 lapsed on 31 May 2018 following the resignation of Andrew Jensen. No other options were issued to KMP or Directors during the 2018 or 2017 financial year.

On 16 January 2018, 20,000,000 unlisted options were issued as partial consideration for the provision of advisory services. The options were issued for nil consideration and exercisable at $0.01 per share, expiring 15 January 2019.

On 4 April 2018, 60,500,000 unlisted options were issued as free attaching options to the participants of the capital raise that successfully raised $1,210,000. The options are exercisable at $0.02 per share and expire two weeks after the Company releases its FY20 full year financial results.

For the year ended 30 June 2018, the performance rights and unlisted options are considered anti-dilutive, and consequently diluted earnings per share is the same as basic earnings per share. The performance rights and unlisted options have not been included in the determination of basic earnings per share.

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

9. CASH AND CASH EQUIVALENTS

	2018 $	2017 $
Cash at bank and in hand	1,061,801	976,270
Restricted cash	115,122	478,645
	1,176,923	**1,454,915**

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 2018 was 1.15%. Cash was held at call.

Reconciliation of cash

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	1,176,923	1,454,915

10. TRADE AND OTHER RECEIVABLES

	2018 $	2017 $
Current		
Trade receivables	841,795	1,680,652
Less: Provision for impairment	(331,903)	(278,010)
Other receivables	121,394	-
	631,286	**1,402,642**

Impairment of receivables

The Group has recognised a loss of $53,893 (2017: $278,010) in profit or loss in respect of impairment of receivables for the year ended 30 June 2018.

	2018 $	2017 $
Movements in the provision for impairment of receivables are as follows:		
Opening balance	(278,010)	-
Additional provisions recognised	(53,893)	(278,010)
Receivables written off as uncollectable	-	-
Closing balance	**(331,903)**	**(278,010)**

Past due but not impaired

Customers with balances past due but without provision for impairment of receivables amount to $163,740 as at 30 June 2018 (30 June 2017: $470,116).

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.

11. FINANCIAL ASSETS

	2018 $	2017 $
Investment in Australian listed equity securities	45,970	79,810

The value of the investments at the date of this report is $61,293.

12. OTHER ASSETS

	2018 $	2017 $
Current		
Prepayments	123,200	110,692
Lease incentives	17,536	-
Assets acquired from Indo-Pacific Property	265,504	-
	406,240	**110,692**
Non-Current		
Bank guarantee and rental bonds	94,424	139,858
Lease incentives	45,652	-
Assets acquired from Indo-Pacific Property	312,040	-
	452,116	**139,858**

13. PLANT AND EQUIPMENT

	2018 $	2017 $
Furniture and fixtures		
At cost	17,183	7,886
Accumulated depreciation	(9,666)	(7,886)
	7,517	-
Office equipment at cost		
At cost	71,732	49,761
Accumulated depreciation	(36,785)	(27,300)
	34,947	22,461
Leasehold assets		
At cost	12,330	12,330
Accumulated depreciation	(7,835)	(3,048)
	4,495	9,282
Total plant and equipment	**46,959**	**31,743**

Notes to the Financial Statements
For the Year Ended 30 June 2018

13. PLANT AND EQUIPMENT (CONTINUED)

Movements in carrying amounts of plant and equipment

	$
Balance at 1 July 2017	**31,743**
Additions	31,427
Depreciation	(16,211)
Disposals	-
Balance at 30 June 2018	**46,959**
Balance at 1 July 2016	195,738
Additions *	29,959
Depreciation	(62,419)
Disposals	(131,535)
Balance at 30 June 2017	**31,743**

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

14. INTANGIBLE ASSETS

	2018 $	2017 $
Goodwill		
At cost	2,768,226	2,768,226
Impairment expense	(1,050,000)	(600,000)
	1,718,226	2,168,226
Intellectual Property		
At cost	-	76
Disposals (inc. disposal of a subsidiary)	-	(76)
68	-	-
	1,718,226	**2,168,226**

Movements in carrying amounts of Intellectual Property

	$
Balance at 1 July 2017	**-**
Additions	-
Disposal	-
Balance at 30 June 2018	**-**
Balance at 1 July 2016	**76**
Additions	-
Disposal	(76)
Balance at 30 June 2017	**-**

Notes to the Financial Statements
For the Year Ended 30 June 2018

14. INTANGIBLE ASSETS (CONTINUED)

Movements in carrying amounts of Goodwill

	$
Carrying value at 1 July 2017	**2,168,226**
Additions	-
Impairment expense	(450,000)
Carrying value at 30 June 2018	**1,718,226**
Carrying value at 1 July 2016	**1,929,427**
Additions	838,799
Impairment expense	(600,000)
Carrying value at 30 June 2017	**2,168,226**

Impairment testing – Goodwill

Goodwill arising from a business combination is allocated to CGUs (cash generating units) or groups that are expected to benefit from the synergies of the combination. For the purposes of impairment testing, goodwill has been allocated to IBN' CGUs as follows:

		2018 $	2017 $
Goodwill			
Find Solutions Australia Pty Ltd	(IBN)	1,421,273	1,639,053
Nyko Property Pty Ltd	(Nyko)	296,953	529,173
		1,718,226	**2,168,226**

The recoverable amounts were based on fair values estimated using discounted cash flows.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represents management's assessment of future trends in the ICT industry and have been based on data from both external and internal sources.

	2018
Find Solutions Australia Pty Ltd	
Discount rate	15.0%
Terminal Value Growth Rate	0.5%

	2018
Nyko Property Pty Ltd	
Discount rate	15.0%
Terminal Value Growth Rate	0.5%

The discount rate was a post-tax measure estimated based on a conservative mix of historical weighted average cost of capital and debt. The cashflow projections included specific estimates for five years for both IBN and NYKO.

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

Factors taken into consideration also included APRA Banking regulations with restrictions to lending conditions, tighter LVR's for loans to investors and FIRB requirements.

14. INTANGIBLE ASSETS (CONTINUED)

The estimated recoverable amount of the CGUs exceeded their carrying amounts by $1.104m for IBN and $1.518m for Nyko. Management recognises that actual results (EBITDA) may vary to what has been estimated. Management acknowledges that changes in key assumptions deriving from future market conditions, sales revenue and operational costs could cause the carrying amount to exceed the recoverable amount.

As a result, the Board have taken a conservative position, recognising an impairment loss of $450,000 (2017: $600,000).

15. TRADE AND OTHER PAYABLES

	2018 $	2017 $
Trade payables	854,796	768,738
Other payables	499,520	980,984
	1,354,316	**1,749,722**
Deferred revenue	**19,550**	**306,215**

16. LOANS AND BORROWINGS

	2018 $	2017 $
Current	499,040	250,000
Non-current	1,092,710	1,507,807
	1,591,750	**1,757,807**

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.

The Company repaid $250,000 on 1 April 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.

Notes to the Financial Statements
For the Year Ended 30 June 2018

16. LOANS AND BORROWINGS (CONTINUED)

On 15 November 2017, the Group announced the Convertible Notes were restructured with noteholders holding 61,111,115 Convertible Notes agreeing to vary the terms as follows:

- The Convertible Notes were extended for an additional 12 months with a new maturity date of 36 months from the date of issue, being 30 September 2019 unless redeemed or converted earlier; and

- Each Convertible Note may be redeemed or converted to the Company's shares at any time prior to the maturity date at an initial conversion price of $0.009 per Share, subject to further adjustments in certain circumstances as described in the *"Convertible Note Deed Poll"*.

17. OTHER LIABILITIES

	2018 $	2017 $
Current		
Lease incentives – IBN Office Lease	17,536	-
Deferred consideration to vendors of Nyko	-	87,500
	17,536	**87,500**
Non-Current		
Lease incentives – IBN Office Lease	45,653	-
	45,653	**-**

18. EMPLOYEE PROVISIONS

	2018 $	2017 $
Employee provisions - current	**77,628**	**53,790**

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 2018

19. ISSUED CAPITAL

	2018 Shares	2017 Shares	2018 $	2017 $
Ordinary shares – fully paid	2,152,404,213	1,694,043,103	53,292,740	51,569,948

(a) Ordinary shares

	2018 Shares	2017 Shares	2018 $	2017 $
At the beginning of the year	1,694,043,103	724,560,999	51,569,948	44,779,243
Initial share consideration for the acquisition of the assets of Indo-Pacific Group Pty Ltd	166,666,667	-	500,000	-
Share placement	242,000,000		1,210,000	-
Shares issued in consideration for capital advisory services	3,166,666	-	15,833	-
Deferred share consideration for the acquisition of the assets of Indo-Pacific Group Pty Ltd	41,666,666	-	125,000	-
Deferred share consideration for Nyko Property Pty Ltd and Nyko Property Australia Pty Ltd**	4,861,111	-	-	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	-	26,670,000	-	-
Rights issue	-	677,617,660	-	2,032,853
Shares issue costs, net of tax	-	-	(128,041)	(103,148)
At the end of the year	**2,152,404,213**	**1,694,043,103**	**53,292,740**	**51,569,948**

* Acquisition of the assets of Indo-Pacific Group Pty Ltd

On 22 August 2017, IBN announced the acquisition of project marketing assets of Indo Pacific Property for an upfront consideration of 166,666,667 shares as well as deferred consideration of 41,666,666 shares, (issued at $0.003 cent per share) subject to a number of conditions precedent and shareholder approval. Total consideration $625,000 paid in ordinary shares.

Shareholder approval was obtained at the Annual General Meeting held on 21 November 2017 with the upfront consideration issued on 20 February 2018 and the deferred consideration issued 27 June 2018.

** Acquisition of Nyko Property Pty Ltd and Nyko Property Australia Pty Ltd (Nyko)

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.

19. ISSUED CAPITAL (CONTINUED)

*** Acquisition of Find Solutions Australia Pty Ltd (FSA)

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.

(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 entity's 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

	2018 $	2017 $
Share based payment reserve		
Balance at the beginning of the year	141,700	-
Share based payment	17,799	141,700
Balance at the end of the year	159,499	141,700
General reserve		
Balance at the beginning of the year	(109,899)	1,500
Other movements	(59,378)	(111,399)
Balance at the end of the year	(169,277)	(109,899)
Total reserves	**9,778**	**31,801**

(a) Share based payments reserve

This reserve records the cumulative value of employee services received for the issue of performance rights and share-based payments to other service providers.

(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.

21. CASH FLOW INFORMATION

	2018 $	2017 $
Reconciliation of loss after income tax to net cash used in operating activities		
Loss after income tax for the year	(1,742,748)	(3,102,082)
Adjustments for:		
- depreciation and amortisation	63,667	62,419
- share based payments	-	141,700
- bad and doubtful debts	53,893	290,173
- revaluation of financial assets	(25,539)	-
- financial expenses	(13,589)	-
- revaluation of financial instruments	83,943	-
- other non-cash expenses	(2,920)	(2,079)
- impairment expense	450,000	600,000
- loss on disposal of fixed assets	-	88,898
Changes in operating assets and liabilities		
- (increase) / decrease in trade and other receivables	771,356	(1,061,477)
- decrease / (increase) in other assets	(30,263)	69,146
- (increase) / decrease in deferred tax assets	-	70,989
- increase / (decrease) in trade and other payables	(312,666)	951,395
- increase in provisions	23,838	7,744
Net cash used in operating activities	**(681,028)**	**(1,883,174)**

22. EVENTS AFTER THE REPORTING PERIOD

The Group has received an update from the Flight Centre Group Limited (ASX: FLT) relating to the Groups potential future payment to be determined by reference to the FY18 EBITDA performance of Professional Performance Systems Pty Ltd the owner of BYOjet Group. FLT has advised that no future payment amount is payable to the Group as part of the agreed accelerated sell down as announced 19 February 2016.

On 24 August 2018, Bill Nikolouzakis was appointed Chief Executive Officer of the Company. In connection with his appointment, the Company awarded Bill with 60 million performance rights issued and, if vested, exercisable for nil consideration.

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.

23. RELATED PARTY TRANSACTIONS (CONTINUED)

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 Director Calvin Ng invoiced the Group $10,750 (2017: 70,752) for accounting and tax services for the year.

Aura Legal Pty. Ltd., a company associated with Director Calvin Ng invoiced the Group $NIL for legal services for the year (2017: $3,000).

Aura Capital Pty Ltd, a company associated with Director Calvin Ng invoiced the Group $52,506 for capital raising and corporate advisory services for the year. (2017: $151,000).

Aura Group Services Pty Ltd, a company associated with Director Calvin Ng invoiced the Group $NIL (2017: $5,042) for rent and shared office services for the year.

Aura Wealth Management Pty Ltd, a company associated with Director Calvin Ng invoiced the Group $NIL (2017: $24,287) as commission for referral services for the year.

McCarthy Business Consultants, a company associated with Director Warren McCarthy invoiced the Group $18,750 for advisory consultancy services for the year.

McRae Investments Pty Ltd, a company associated with Director Stephen Quantrill invoiced the Group $36,000 for property management and shared office services for the year.

CB Online Pty Ltd, a company associated with Alex Caraco invoiced the Group $54,646 for commission relating to the sale of real estate throughout the year.

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).

(c) Outstanding Balances owed to related parties

The amount owing to related parties at the reporting date is $262,377 (2017: $568,612).

In aggregate $2,775 is owed to Director Calvin Ng and his related parties for consulting services and directorship fees. $9,602 is owed to Stephen Quantrill and his related parties for property management, shared office expenses and reimbursement of travel costs. $250,000 is owed to Mark Mendel and his related parties for the acquisition of FSA in 2016 and is payable by 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:

	Note	2018 $	2017 $
Financial Assets			
Cash and cash equivalents	9	1,176,923	1,454,915
Trade and other receivables	10	631,286	1,402,642
Financial assets	11	45,970	79,810
Other assets	12	735,156	139,858
Total financial assets		**2,589,335**	**2,937,507**
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	15	1,354,316	1,749,722
- Loans and borrowings	16	1,591,750	1,757,807
- Other liabilities	17	-	87,500
Total financial liabilities		**2,946,066**	**3,595,029**

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

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	45,970	-	-	45,970

(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-.

Notes to the Financial Statements
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24. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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:

	2018 $	2017 $
Within one year	500,000	250,000
One to five years	1,100,000	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.

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 2018		
+/- 1% in interest rates	+/- 11,749	+/- 11,749
Year ended 30 June 2017		
+/- 1% in interest rates	+/- 14,549	+/- 14,549

Notes to the Financial Statements
For the Year Ended 30 June 2018

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

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 (%) 2018	Percentage Owned (%) 2017
Subsidiaries of iBuyNew Group Limited:			
Find Solution Australia Pty Ltd	Australia	100	100
Find Investment Property Pty Ltd	Australia	100	100
iBuyNew Pty Ltd	Australia	100	100
iBuyNew Australia Pty Ltd	Australia	100	100
IBN Projects Pty Ltd	Australia	100	100
Nyko Property Pty Ltd	Australia	100	100
Nyko Property Australia Pty Ltd	Australia	100	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 and the final $250,000 on 31 December 2018. The first $250,000 was paid on 1 April 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.

26. BUSINESS COMBINATIONS (CONTINUED)

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. This was achieved and shares allotted 16 January 2018.

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.

27. SEGMENT INFORMATION

Identification of reporting segments
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 2018.

Notes to the Financial Statements
For the Year Ended 30 June 2018

27. SEGMENT INFORMATION (CONTINUED)

	Corporate		E-Commerce		Advisory		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	$	$	$	$	$	$	$	$
Revenue								
Sales to external customers	-	-	3,175,554	2,898,505	2,212,604	741,610	5,388,158	3,640,115
Total								
Interest received	-	3,024	12,644	6,902	-	-	12,644	9,926
Other revenue	-	17,599	90,048	47,051	-	-	90,048	64,650
Total revenue	**-**	**20,623**	**3,278,246**	**2,952,458**	**2,212,604**	**741,610**	**5,490,850**	**3,714,691**
Other income								
Gain/Loss on disposal of assets	-	-	-	(88,898)	-	-	-	(88,898)
Expenses	(632,055)	(872,327)	(3,337,859)	(3,676,112)	(2,448,510)	(1,183,775)	(6,418,426)	(5,732,214)
Impairment expense	(450,000)	(600,000)	-	-	-	-	(450,000)	(600,000)
Share based compensation	-	(141,700)	-	-	-	-	-	(141,700)
Depreciation and amortisation	(1,338)	(1,964)	(56,163)	(59,633)	(6,166)	(822)	(63,667)	(62,419)
Revaluation of convertible notes	(83,943)	-	-	-	-	-	(83,943)	-
Finance costs	(179,740)	(129,894)	(26,690)	(4,653)	(11,134)	(13,203)	(217,564)	(147,750)
Loss before income tax	**(1,347,075)**	**(1,725,262)**	**(142,466)**	**(876,838)**	**(253,206)**	**(456,190)**	**(1,742,748)**	**(3,058,290)**
Income tax (expense)							-	(43,792)
Loss after income tax							**(1,742,748)**	**(3,102,082)**
Assets								
Segment assets	3,131,498	4,179,120	1,035,775	952,326	310,447	256,440	4,477,720	5,387,886
Total assets							**4,477,720**	**5,387,886**
Liabilities								
Segment liabilities	1,798,107	1,994,048	850,909	1,202,967	457,417	758,049	3,106,433	3,955,064
Total liabilities							**3,106,433**	**3,955,064**

Notes to the Financial Statements
For the Year Ended 30 June 2018

28. COMMITMENTS

	2018 $	2017 $
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	162,575	105,886
One to five years	357,753	87,266
Minimum lease payments	**520,328**	**193,152**

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

The Group had no contingent liabilities or contingent assets at 30 June 2018.

30. SHARE-BASED PAYMENTS

	2018 $	2017 $
Share-based payment expense	**5,000**	**141,700**

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, and former Directors Andrew Jensen, John Kolenda and Adir Shiffman or their nominees respectively. The performance rights were issued on 30 October 2017 to Calvin Ng and Andrew Jensen.

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 Andrew Jensen resigned 31 May 2018 and both John Kolenda and Adir Shiffman ceased as Directors during the year ended 30 June 2017, their performance rights have lapsed.

On 16 January 2018, the Company announced the issue of 20,000,000 unlisted options as partial consideration for advisory services $17,799 provided by Vesparum Capital. The options are exercisable at $0.01 per option into a fully paid ordinary share within 12 months from the date of issue.

On 6 April the Company announced the issue of shares and unlisted options in relation to a capital raise. 3,166,166 ordinary shares were issued for Nil consideration to Redleaf Securities the lead manager of the placement that successfully raised $1.210m. 1,000,000 ordinary shares and 250,000 unlisted options were issued to the Company's CFO and Company Secretary who participated in the placement offsetting consulting fees payable of $5,000.

Directors' Declaration

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 17 to 52, 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 2018 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: ....
Mr Warren McCarthy

Dated this 31st day of August 2018

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 14 August 2018.

20 LARGEST SHAREHOLDERS

Shareholders	Balance	Percent
MARSHE NOMINEES PTY LTD	319,317,500	14.84
MCRAE INVESTMENTS PTY LTD	208,333,333	9.68
MR MARK NICHOLAS MENDEL	103,089,167	4.79
MRS SARAH CAMERON	95,985,059	4.46
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	70,536,320	3.28
WALLIS-MANCE PTY LIMITED	62,130,000	2.89
TW CONSULTING CO LTD	56,000,000	2.60
MR GREGORY MAURICE PINKUS & MRS LISA MARIE PINKUS	33,333,336	1.55
NYKO GROUP PTY LTD	32,407,407	1.51
PUMPKIN POINT PTY LTD	31,200,000	1.45
MR KAR WING NG & MS YOW TING LEE	25,300,000	1.18
SAFARI CAPITAL PTY LTD	25,000,000	1.16
HM FUND PTY LTD	24,250,000	1.13
IJ COM PTY LTD	23,774,119	1.10
GIOKIR PTY LTD	23,666,670	1.10
MR RODERICK STUART HOWE & MRS JULIA MARY HOWE	21,500,000	1.00
J H FUNKY INVESTMENTS PTY LTD	21,100,000	0.98
EYEON NO 2 PTY LTD	20,495,231	0.95
EYEON INVESTMENTS PTY LTD	20,391,830	0.95
JOHN DAHLSEN SUPERANNUATION FUND PTY LTD	17,166,666	0.80
Total	**1,234,976,638**	**57.38**
Issued Share Capital	**2,152,404,213**	

SUBSTANTIAL HOLDERS

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

Shareholders	Balance	Percent
MR MARK MENDEL & MARSHE NOMINEES PTY LTD	422,406,667	19.62
MCRAE INVESTMENTS PTY LTD	208,333,333	9.68
COPULOS GROUP	111,423,380	5.17

HOLDING ANALYSIS

Holdings Ranges	Holders	Total units	%
1 – 1,000	540	217,197	0.010
1,001 – 5,000	360	829,039	0.039
5,001 – 10,000	120	851,764	0.040
10,001 – 100,0000	386	18,927,404	0.879
100,001 – 99,999,999	558	2,131,578.809	99.032
Totals	1,964	**2,152,404,213**	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	1,964	Yes
Performance rights	1	No
Unlisted Options expiring 16/1/2019	1	No
Unlisted options expiring 14/09/2020	40	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 1,465.

CLASSES OF UNQUOTED SECURITIES

Class of Security	No of Holders	Total Units
Performance rights expiring 30/09/2019	1	7,500,000
Unlisted options expiring 16/01/2019	1	20,000,000
Unlisted options expiring 14/09/2020	40	60,500,000

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:
IBuyNew Group Limited
Level 1, 50 Berry Street
North Sydney, NSW, 2060

Board of Directors and Management

Non-Executive Chairman	Mr Warren McCarthy
Non-Executive Director	Mr Stephen Quantrill
Non-Executive Director	Mr Kar Wing (Calvin) Ng
Chief Executive Officer	Mr Vasilios (Bill) Nikolouzakis
Company Secretary	Mrs Aliceson Rourke

Auditors, Solicitors and Bankers

Auditors	Stanton's International Level 2, 22 Pitt Street Sydney, NSW 2000
Solicitors	Sunderaj & Ker Level 13, St James Centre 111 Elizabeth Street Sydney, NSW 2000
Bankers	National Australia Bank Level 1, 105 Miller Street North Sydney, NSW 2060

Share Registry

Share Registry	Link Market Services Limited Level 12, 680 George Street Sydney, NSW, 2000

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

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www.stantons.com.au

31 August 2018

Board of Directors
iBuyNew Group Limited
Level 1
50 Berry 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.

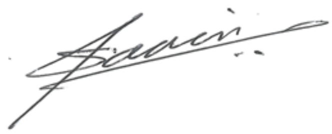
As Audit Director for the audit of the financial statements of iBuyNew Group Limited for the year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(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)



Samir Tirodkar
Director

Stantons International Audit and Consulting Pty Ltd
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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 2018, 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 2018 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 Uncertainty Regarding Going Concern

Without modification to the opinion expressed above, attention is drawn to the following matter:

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 2018, the Group had working capital of $246,379 and had incurred a loss after tax for the year of $1,742,748. The ability of the Group to continue as a going concern is subject to the successful recapitalisation of the Group or 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 matter described in the Emphasis of Matter section, we have determined the matters described below to be Key Audit Matters 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
Carrying value of Intangibles (Goodwill) Intangibles include recognised Goodwill totalling $1,718,226 (refer to Note 14) in accordance with 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 38% of total assets); • For the Cash Generating Unit (CGU's) to which goodwill is attributable, the determination of recoverable amounts, being the higher of fair value less costs to sell and value-in-use, requires significant judgements on the part of management in both identifying and 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 assessment requires appropriate consideration of these factors including the significant estimates and judgements made 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 review 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. Verifying the cash flow models and corroboration of underlying data.
Recoverability of Trade Receivables and acquired Indo-pacific Property Settlement Book As at 30 June 2018, the Group held trade receivables totalling $631,286 (refer to Note 10). Trade receivables are considered to be a key audit matter as they comprise approximately 14% of total assets. Trade receivables and the Indo-pacific Property Settlement Book are also considered to be a key audit matter as the balances are subject to management's assessment regarding recoverability (including the review of customers' aging profiles, credit history and status of subsequent settlement) to determine whether an impairment provision or write-off is required.	Inter alia, our audit procedures included the following: i. Reviewed the list of outstanding trade receivables and, through discussion with management, identified any debtors experiencing financial difficulties; ii. Verified subsequent receipts relating to settlement of trade receivables; and iii. Reviewed the listing of the acquired Indo-pacific Property Settlement book, discussed with management the recoverability of the book and verified all settlements since acquisition. iv. Assessed the recoverability of the balances by comparing the outstanding amounts as at year end against subsequent settlements, and determined an appropriate 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 2018, 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 14 of the directors' report for the year ended 30 June 2018. In our opinion, the Remuneration Report of iBuyNew Group Limited for the year ended 30 June 2018 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 and Consulting Pty Ltd

Samir Tirodkar
Director

West Perth, Western Australia
31 August 2018