iBuyNew Group Limited

ABN 20 108 958 274

Preliminary Report

For the Year Ended 30 June 2019

CORPORATE INFORMATION

Company Details

The registered office of the company is:
IBuyNew Group Limited
109/12 Cato Street, Hawthorn East,
Victoria 3123

Board of Directors and Management

Non-Executive Chairman	Mr Kar Wing (Calvin) Ng
Non-Executive Director	Mr Stephen Quantrill
Chief Executive Officer	Mr Vasilios (Bill) Nikolouzakis
Company Secretary	Bob Kerr

Auditors, Solicitors and Bankers

Auditors	Stanton's International Level 2, 22 Pitt Street Sydney, NSW 2000
Solicitors	Sunderaj & Ker Level 36/264 George St, 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

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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 2019
Previous corresponding period	30 June 2018

Results for announcement to market

Financial Results				**June 2019 $**
Revenue	Down	52%	to	**2,570,910**
(Loss) after tax attributable to members	Up	190%	to	**(5,046,512)**
Net loss attributable to members	Up	180%	to	**(5,046,512)**

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

Earnings/(loss) per share	**June 2019**	**June 2018**
Basic and diluted loss per ordinary share	(23.23) cents	(0.096) cents

Net tangible asset backing	**June 2019**	**June 2018**
Net tangible asset backing per ordinary share	(0.0478) cents	(0.0002) cents

2019 net tangible asset backing based off 100:1 Consolidation of Capital

Financial Information	**June 2019**	**June 2018**
Revenue and other income	2,450,910	5,388,158
Operating expenses	(5,420,500)	(5,998,378)
Operating EBITDA	(2,649,587)	(694,763)
One-off and abnormal expenses	(2,231,759)	(779,999)
EBITDA	(4,370,695)	(1,474,762)
NPAT	(5,046,512)	(1,742,748)

One-off and abnormal expenses in FY19 included bad debts provision $92,783, redundancy costs $115,179, early termination of lease and make good costs $72,222, secured loan establishment and legal costs $100,305, legal fees and due diligence $45,000, recruitment costs $36,135, sale of WA rent roll $5000, Interest expense to Mark Mendel and related parties $40,109, Share consolidation of capital costs $6,800 and impairment of goodwill $1,718,226.

FY18 comparatives 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.

Unaudited
The financial statements on which this preliminary report is based has not been audited.

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

Principal activities and significant changes in nature of activities

iBuyNew Group Limited operates iBuyNew.com.au and Nyko Property. iBuyNew and Nyko respectively 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 where Australians go to buy new property. The platform allows prospective buyers to compare, reserve and buy from more than 8,000 listings across 431 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 increased by 190% to ($5,046,512 loss) after providing for income tax (2018: $1,742,748 loss). Revenue decreased to $2,450,910 compared to (2018: $5,388,158). The restated net assets of the Group at 30 June 2019 decreased to ($1,039,588) (2018: $3,429,981) while restated current assets decreased to $2,787,378 (2018: $3,886,405).

A summary of the statutory and underlying financial results from operations for FY19 is set out below:

Statutory Results	**Jun-19**	**Jun-18**	Change %
Revenue and other income	2,450,910	5,388,158	-55%
EBITDA	(4,370,695)	(1,474,762)	196%
Loss Before tax	(5,046,512)	(1,742,748)	190%
NPAT	(5,046,512)	(1,742,748)	190%

Underlying results	**Jun-19**	**Jun-18**	Change %
Revenue and other income	2,450,910	5,388,158	-55%
One-off and abnormal expenses	(2,231,759)	(779,999)	186%
Operating EBITDA	(2,649,587)	(694,763)	281%
Loss from continuing operations	(3,159,008)	(963,000)	228%

The results included a number of one-off expenses that were required in compliance with IFRS and Australian Accounting Standards. Total One-off and abnormal expenses of $2.231m, this included a one-off goodwill impairment expense of $1.718m.

At the end of FY19 the Company held a consolidated cash balance $212k (includes $111k restricted cash held on trust).

Strategic Developments

As market conditions for new property remain subdued across the eastern and western seaboard during the FY19 period the group continued to focus on its cost reduction program to re-align the business with current market conditions. The removal of costs and restructuring has pivoted the group's operations to focus heavily on settlements which form a significant portion of the total revenue collected during FY19.

At the beginning of H2 FY19, the Company entered into a $2.450m senior secured loan facility (before transaction costs). The secured facility comprised of two tranches, where tranche 1 of $1.95m made up of a combination of new lenders and $600k of convertible bond holders rolling into the secured facility. Tranche 2 an undrawn facility of $500k on arm's length terms with entities associated with McRae investments Pty Ltd. This has provided working capital and allowed the Company to retire debt. $750k was paid as the its debt obligation of $250k to Mark Mendel and nominees, the vendors of Find Solutions Australia (the entity which owns the iBuyNew business) and $500k of existing convertible bond holders.

During the Q4 FY19 quarter the Company reduced its senior secured loan facility by $65k through the sale of the non-profitable WA rent roll which it received through the IPG acquisition. The total senior secured loan facility is now at $1.885m with a maturity date at the end of the year.

On 6 February 2019, the Company announced that shareholders approved the 100:1 Consolidation of Capital at the Extraordinary General Meeting held on 6 February 2019.

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

Operational Performance

The Australian property market remained subdued throughout FY19, with new apartment and land sales displaying weak results. Pleasingly, the group continued its efforts to remove costs and restructure the group's operations to focus heavily on settlements which form a significant portion of the total revenue collected during FY19.

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

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2019

	Note	Consolidated 2019 $	2018 $
Revenue	2	2,450,910	5,388,158
Other revenue	2	120,000	90,048
Gain on disposal of subsidiary		-	-
		2,570,910	**5,478,206**
Less Expenditure			
Administration expense		(1,241,759)	(1,642,565)
Bad debts expense		(35,873)	(53,893)
Depreciation and amortisation expense		(237,344)	(63,667)
Direct operating expense		(1,555,670)	(2,407,159)
Directors and consultant expense		(519,288)	(421,453)
Employee benefits expense		(1,598,865)	(1,586,195)
Impairment expense		(1,718,226)	(450,000)
Occupancy expenses		(231,701)	(302,160)
Share-based compensation		(35,000)	(5,000)
Revaluation of the convertible note		-	(83,943)
Loss on disposal of fixed assets		(5,224)	-
Operating Loss before finance costs		**(4,806,039)**	**(1,537,829)**
Financial income		2,882	12,644
Financial expenses		(441,355)	(217,563)
Net financing costs		**(438,473)**	**(204,919)**
Loss before income tax		**(5,046,512)**	**(1,742,748)**
Income tax expense		-	-
Loss for the year after income tax		**(5,046,512)**	**(1,742,748)**
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)
Exchange differences on translation of foreign exchange		-	-
Total comprehensive loss for the year		**(5,046,512)**	**(1,802,126)**

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2019

Loss for the year attributable to:			
Owners of iBuyNew Group Limited		(5,046,512)	(1,742,748)
Non-controlling interest		-	-
		(5,046,512)	**(1,742,748)**
Total comprehensive income for the year attributable to:			
Owners of iBuyNew Group Limited		(5,046,512)	(1,802,126)
Non-controlling interest		-	-
		(5,046,512)	**(1,802,126)**
Earnings per share for loss attributable to the owners of iBuyNew Group Limited			
Basic earnings per share (cents)	8	(0.232)	(0.096)
Diluted earnings per share (cents)	8	(0.232)	(0.096)

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Statement of Financial Position
As at 30 June 2019

	Note	2019 $	2018 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	277,598	1,176,923
Trade and other receivables	6	305,484	631,286
Other assets	8	2,204,296	2,078,196
TOTAL CURRENT ASSETS		2,787,378	3,886,405
NON-CURRENT ASSETS			
Plant and equipment		44,800	46,959
Other non-current assets	8	843,750	2,453,998
Deferred tax assets		-	-
Financial assets	7	31,924	45,970
Intangible assets	9	-	1,718,226
TOTAL NON-CURRENT ASSETS		920,474	4,265,153
TOTAL ASSETS		3,707,852	8,151,558
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	1,751,900	1,354,316
Loans and borrowings	11	1,885,000	499,040
Income tax payable		-	-
Other liabilities	12	972,742	1,210,947
Deferred revenue		-	19,550
Employee provisions	13	56,309	77,628
TOTAL CURRENT LIABILITIES		4,665,950	3,161,481
NON-CURRENT LIABILITIES			
Other liabilities	12	81,489	467,386
Loans and borrowings	11	-	1,092,710
TOTAL NON-CURRENT LIABILITIES		81,489	1,560,096
TOTAL LIABILITIES		4,747,439	4,721,577
NET ASSETS		**(1,039,588)**	**3,429,981**

Statement of Financial Position
As at 30 June 2019

(CONTINUATION)

	Note	Consolidated 2019 $	2018 $
EQUITY			
Issued capital	14	53,380,294	53,292,740
Reserves	15	194,499	(9,778)
Revaluation Reserve	15	(14,047)	-
Accumulated losses		(54,739,434)	(49,852,981)
Owners of iBuyNew Group Limited		(1,178,688)	3,429,981
Non-controlling interest		139,101	-
TOTAL EQUITY		**(1,039,587)**	**3,429,981**

Statement of Changes in Equity
For the Year Ended 30 June 2019

	Issued Capital $	General Reserve $	Options Reserves $	Accumulated Losses $	Total Equity $
Consolidated					
Balance at 1 July 2018-restated	**53,292,740**	**(170,777)**	**160,999**	**(49,852,981)**	**3,429,981**
Loss for the year after income tax	-	-	-	(5,045,757)	(5,045,757)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year, net of tax	**-**	**-**	**-**	**(5,045,757)**	**(5,045,757)**
Transactions with equity holders					
Share based payments	-	156,730	**33,500**	**-**	**190,230**
Shares issued during the year - net of transaction costs	87,554	-	**-**	**-**	**87,554**
Acquisition of non-controlling interests	-	-	**-**	**298,405**	**298,405**
Balance at 30 June 2019	**53,380,294**	**(14,047)**	**194,499**	**(54,600,333)**	**(1,039,587)**

	Issued Capital $	General Reserve $	Options Reserves $	Accumulated Losses $	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	-	-	-	315,946	315,946
Other comprehensive income	-	(60,878)	-	-	(60,878)
Total comprehensive income for the year, net of tax	**-**	**(60,878)**	**-**	**315,946**	**255,068**
Transactions with equity holders					
Share based payments	-	-	**19,299**	**-**	**19,299**
Shares issued during the year - net of transaction costs	1,722,792	-	**-**	**-**	**1,722,792**
Acquisition of non-controlling interests	-	-	**-**	**-**	**-**
Balance at 30 June 2018-restated	**53,292,740**	**(170,777)**	**160,999**	**(49,852,981)**	**3,429,981**

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Statement of Cash Flows
For the Year Ended 30 June 2019

		Consolidated	
		2019	**2018**
	Note	**$**	**$**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		3,820,286	6,754,296
Payments to suppliers and employees		(4,602,473)	(7,260,363)
Interest received		2,478	12,644
Finance costs		(277,984)	(175,853)
Income tax		-	(11,752)
Net cash (used in) operating activities		(1,057,693)	(681,028)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of subsidiary, net of cash acquired		-	-
Net security deposits received / (paid)		-	45,435
Investment in subsidiary		-	(87,500)
Net cash inflow / (outflow) from restricted cash		-	(363,523)
Purchase of investments		-	(25,539)
Purchase of property, plant and equipment		(7,273)	(31,427)
Proceeds from disposal of other non-current assets		115,000	-
			-
Net cash (used in) / provided by investing activities		107,727	(462,554)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		-	1,210,000
Transaction costs relating to issue of shares		(4,000)	(94,410)
Proceeds from Loans and borrowings		1,250,000	-
Transaction costs relating to issue of loans and borrowings		(95,000)	-
Repayment of Loans and borrowings		(1,100,000)	(250,000)
Net cash provided by / (used in) financing activities		51,000	865,590
Net (decrease) / increase in cash and cash equivalents held		(898,965)	(277,992)
Cash and cash equivalents at beginning of financial year		1,176,923	1,454,915
Cash and cash equivalents at end of financial year	5	**277,958**	**1,176,923**

Notes to the Financial Statements
For the Year Ended 30 June 2019

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.

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 or Amended Accounting Standards and Interpretations Adopted

The consolidated entity has adopted all of the new or revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current accounting period.

Initial Adoption of AASB 15 'Revenue of Contracts with Customers'

Under the revised standard AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard defines a customer as a 'party that has contracted with an entity to obtain goods or services that are an output of the entity's ordinary activities in exchange for consideration'.

Management has undertaken an exercise to assess the contractual arrangements in relation to the sale of property across the Group and performed an assessment of the impact on the consolidated financial statements of AASB 15 resulting in the recognition of 100% of revenue at the time of unconditional contract. Previously, revenue was recognised in two stages, being 50% at unconditional contract and 50% at settlement of the sale of property. The Group has assessed credit risk on the settlement of contracts and has made a provision as required.

(a) Going concern

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

The Group incurred a net loss of $5,046,512 and experienced total cash outflows from operating activities of $4,880,457 and at that date, had current assets of $2,787,378 (2018: restated current assets of $3,886,405).

Management plans to raise funds from existing or new shareholders in the form of additional capital raisings or debt, 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 2019 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) 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.

Notes to the Financial Statements
For the Year Ended 30 June 2019

(d) 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.

(e) Plant and equipment

Plant and equipment is measured at historical cost less accumulated depreciation and any accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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.

(f) 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.

(g) 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.

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

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

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

(i) 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.

(j) 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.

(k) Employee benefits

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

Short term employee benefits

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

Other long-term employee benefits

Liability for annual leave and long service leave not expected to be settled within 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date, using the projected unit credit method. Consideration is given to expected future wage and salary levels, of employee departures and period of service.

Retirement benefit obligations

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

(l) 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.

(m) 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.

(n) 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.

(o) Goods and Services Tax (GST)

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

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(p) 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.

(q) 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.

Notes to the Financial Statements
For the Year Ended 30 June 2019

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.

2. REVENUE AND OTHER INCOME
Revenue from continuing operations

	2019	2018
	$	$
Revenue:		
- Commission – IBN e-commerce sales	1,285,826	3,175,554
- Commission – Nyko advisory services	1,165,084	2,212,604
	2,450,910	5,388,158
Other revenue:		
- other revenue	120,000	90,048
Total Revenue	**2,570,910**	**5,478,206**

(*) On 16 April 2019, the Group entered into an arrangement to its Western Australia based rent roll asset.

As consideration for the sale $65,000 plus GST was received for:

- 100% of properties under management (52 managements) in Western Australia held under the subsidiary iBuyNew Australia Pty Ltd. These properties were acquired as part of the Ind0-Pacific property acquisition.

3. LOSS FOR THE YEAR
Loss before income tax includes the following specific expenses:

	2019	2018
	$	$
Direct operating expense	(1,555,670)	(2,407,159)
Finance costs	(438,473)	(217,563)
Bad debts expense	(35,873)	(53,893)
Share-based compensation	(35,000)	-
Depreciation and amortisation expense	(237,344)	(63,667)
Loss on disposal of fixed assets	(5,224)	-
Revaluation of the convertible note	-	(83,943)
Impairment expense	(1,718,226)	(450,000)

Notes to the Financial Statements
For the Year Ended 30 June 2019

4. LOSS PER SHARE

	2019	2018
	$	$
Basic and diluted earnings per share (in cents)	(0.232)	(0.096)
Reconciliation of loss to profit or loss from continuing operations		
Loss for the year	(5,046,512)	(1,742,748)
Adjustments:		
Deduct: Profit attributable to non-controlling interest	-	-
Loss used in calculating basic and diluted loss per share	**(5,046,512)**	**(1,742,748)**

	No.	No.
Weighted average number of ordinary shares used in calculating basic and dilutive earnings per share	**21,796,597**	**1,816,778,187**

Performance Rights and Options

Shareholders approved the issue of 600,000 performance rights to Key Management Persons held on 09 November 2018. No other options were issued to KMP or Directors during the 2019 financial year.

For the year ended 30 June 2019, the performance rights are considered anti-dilutive, and consequently diluted earnings per share is the same as basic earnings per share. The performance rights have not been included in the determination of basic earnings per share.

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

5. CASH AND CASH EQUIVALENTS

	2019	2018
	$	$
Cash at bank and in hand	166,341	1,021,804
Term deposit	-	40,000
Restricted cash	111,257	115,122
	277,598	**1,176,923**

Restricted cash relates to clients’ funds held on trust by the Group.

Notes to the Financial Statements
For the Year Ended 30 June 2019

6. TRADE AND OTHER RECEIVABLES

	2019 $	2018 $
Current		
Trade receivables	305,484	**631,286**
Less: Provision for impairment		-
Other receivables		-
	305,484	**631,286**

Impairment of receivables

The Group has recognised a loss of $NIL (2018: $NIL) in profit or loss in respect of impairment of receivables for the year ended 30 June 2019.

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

	2019 $	2018 $
Opening balance	-	-
Additional provisions recognised	-	-
Receivables written off during the year as uncollectable	-	-
Closing balance	**-**	**-**

Past due but not impaired

Customers with balances past due but without provision for impairment of receivables amount to $NIL as at 30 June 2019 (30 June 2018: $NIL).

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

Effective interest rates and credit risk

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

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

Notes to the Financial Statements
For the Year Ended 30 June 2019

7. FINANCIAL ASSETS

	2019 $	2018 $
Investment in Australian listed equity securities	**31,924**	**45,970**

8. OTHER ASSETS

	2019 $	2018 $
Current		
Prepayments	96,818	123,000
Lease incentives	-	17,536
Asset acquired from Indo-Pacific Property	-	265,504
Settlement book assets	2,107,477	1,671,956
	2,204,296	**2,078,196**
Non-Current		
Bank Guarantee and rental bond	-	94,424
Lease incentives	-	45,652
Rental Bond	16,940	-
Rent Roll asset required	55,442	-
Asset acquired from Indo-Pacific Property	358,219	312,040
Settlement book assets	413,149	2,001,882
	843,750	**2,453,998**

9. INTANGIBLE ASSETS

	2019 $	2018 $
Goodwill		
At cost	2,768,226	2,768,226
Impairment expense	(2,768,226)	(1,050,000)
	-	1,718,226

10. TRADE AND OTHER PAYABLES

	2019 $	2018 $
Trade payables	1,751,900	1,354,316
Other payables	-	-
	1,751,900	**1,354,316**
Deferred revenue	-	**19,550**

11. LOANS AND BORROWINGS

	2019	2018
	$	$
Current	1,885,000	499,040
Non-current	-	1,092,710
	1,885,000	**1,591,750**

On 15 January 2019, the Group announced that the Company had entered into a $2,450,000 senior secured loan facility ("Secured Facility"). The Secured Facility is a first ranking secured loan facility against the Company, it's settlement book and rent rolls for a term of 12 months. The Secured Facility attracts an interest rate of 18 percent per annum accruing on a daily basis with a minimum interest period of 6 months.

The Secured Facility is available to be drawn over two tranches:

- Tranche 1: Drawn $1,950,000 in January 2019 made up of a combination of new lenders and $600,000 of the Company's convertible bond holders rolling into the Secured Facility; and

- Tranche 2: Undrawn $500,000 commitment on arms' length terms with entities associated with Non-executive Director Stephen Quantrill, namely McRae Investments Pty Ltd. Tranche 2 of the facility will be drawn down at the election of IBN against settlement income payable to McRae in relation to past Indo Pacific property sales.

The proceeds from the loan facility were used to repay all its debt obligations to Mark Mendel and nominees; the vendors of Find Solutions Australia, repayment of $500,000 of existing convertible bonds and working capital to complete the strategic initiatives announced on the 8 October 2018.

Mark Mendel and nominees were repaid $250,000 on the 16 January 2019 and $500,000 convertible bonds were repaid on 24 January 2019.

Apart from the matters noted above, no other matters or circumstances have arisen since the end 30 June 2019 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.

12. OTHER LIABILITIES

	2019	2018
	$	**$**
Current		
Lease incentives – IBN Office Lease	-	17,536
Settlement Book liabilities	**972,742**	1,210,947
	972,742	**1,228,483**
Non-Current		
Lease incentives – IBN Office Lease	-	-
Settlement Book liabilities	81,489	467,386
	81,489	**467,386**
	1,054,231	**1,695,869**

Notes to the Financial Statements
For the Year Ended 30 June 2019

13. EMPLOYEE PROVISIONS

	2019 $	2018 $
Employee provisions - current	**56,309**	**77,628**

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.

14. ISSUED CAPITAL

	2019 Shares	2018 Shares	2019 $	2018 $
Ordinary shares – fully paid	21,792,888	2,152,404,213	53,380,294	53,292,740

(a) Ordinary shares

	2019 Shares	2018 Shares	2019 $	2018 $
At the beginning of the year	2,152,404,213	1,694,043,103	53,292,740	51,569,948
Initial share consideration for the acquisition of a rent roll consisting 54 properties in New South Wales – 26,884,539 shares issued at $0.0034 per share (Value of $91,407)	*26,884,539*		91,407	
Consolidation of share capital 100:1	*(2,179,288,752)*		(3,853)	
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	-	-
Acquisition of Nyko Property Pty Ltd and Nyko Property Australia Pty Ltd**	-	-	-	-
Acquisition of the remaining 50% interests in Find Solutions Australia Pty Ltd***	-	-	-	-
Deferred share consideration acquisition FSA	-	-	-	-
Rights issue	-	-	-	-
Shares issue costs, net of tax	-	-	-	(128,041)
At the end of the year	**21,792,888**	**2,152,404,213**	**53,380,294**	**53,292,740**

14. ISSUED CAPITAL (CONTINUED)

On 6 February 2019, the Company announced that shareholders approved the 100:1 Consolidation of Capital at the Extraordinary General Meeting held on 6 February 2019.

* 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.

*** 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.

Notes to the Financial Statements
For the Year Ended 30 June 2019

15. RESERVES

	2019 $	2018 $
Options Reserve		
Balance at the beginning of the year	159,499	141,700
Share based payment expense	35,000	17,799
Balance at the end of the year	194,499	159,499
Revaluation reserve		
Balance at the beginning of the year	(169,277)	(109,899)
Other movements	155,230	(59,378)
Balance at the end of the year	(14,047)	(169,277)
Total reserves	**180,451**	**(9,778)**

(a) Options reserve

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

(b) Revaluation reserve

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

16. EVENTS AFTER THE REPORTING PERIOD

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.

17. 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 (%) 2019	Percentage Owned (%) 2018
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
Nyko Property Pty Ltd	Australia	100	100
Nyko Property Australia Pty Ltd	Australia	100	100