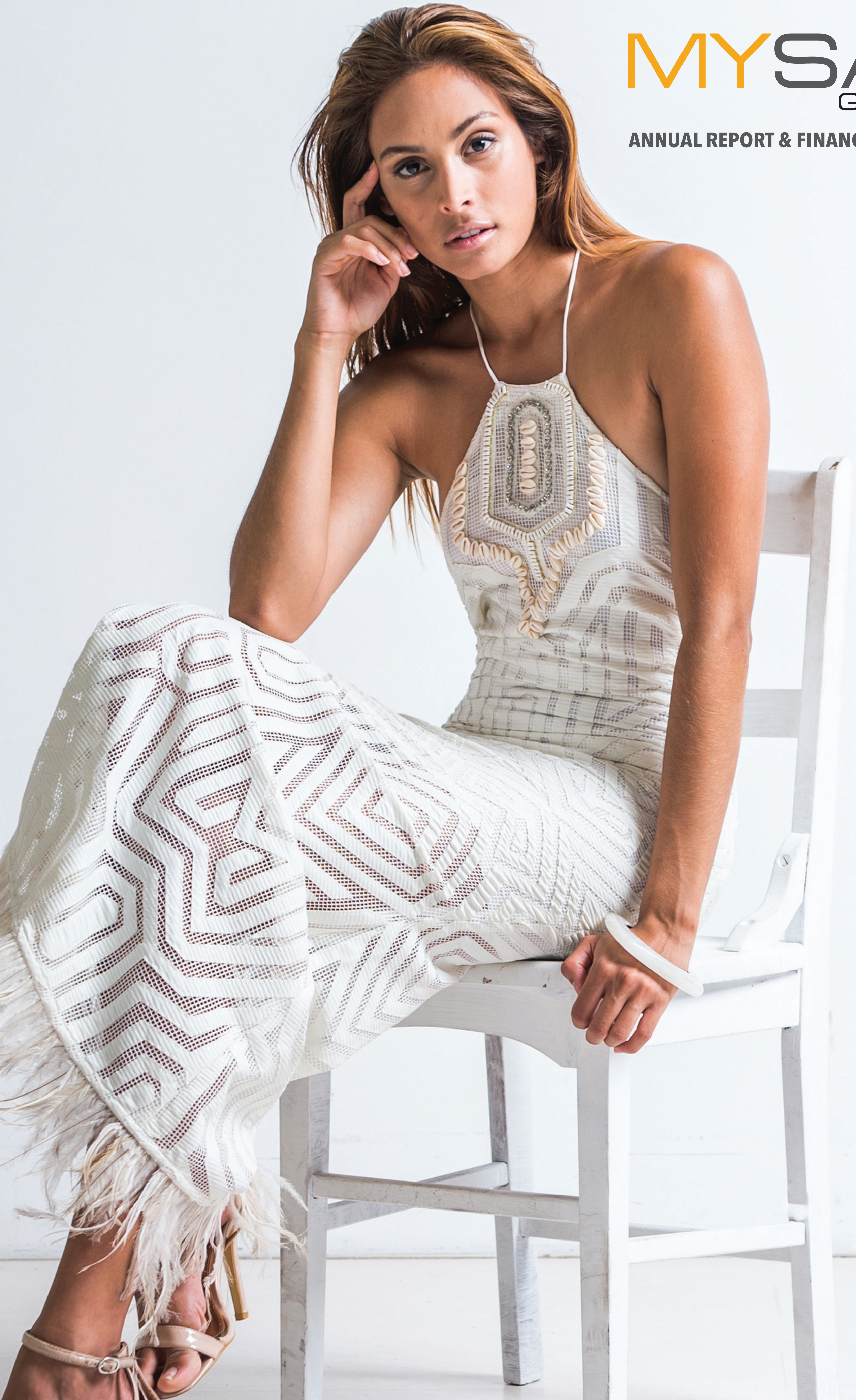
MYSALE GROUP PLC

ANNUAL REPORT & FINANCIAL STATEMENTS
30 JUNE 2016



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This Strategic report for MySale Group Plc ('MySale' or the 'company') and its subsidiaries (collectively referred to as the 'group') is set out under the following main headings:

1. Financial and operating highlights
2. Chairman's statement
3. Review of operations by the Chief Executive Officer
4. Financial review by the Chief Financial Officer
5. Principal risks and uncertainties
6. Corporate social responsibilities
7. People

Cautionary statement regarding forward looking statements

This document contains certain forward-looking statements. These forward-looking statements include matters that are not historical facts or are statements regarding the company's intentions, beliefs or current expectations concerning, among other things, the group's results of operations, financial condition, liquidity, prospects, growth, strategies, and the industries in which the group operates. Forward-looking statements are based on the information available to the directors at the time of preparation of this document, and will not be updated subsequent to the issued of this document. The directors can give no assurance that these expectations will prove to be correct. Due to inherent uncertainties, including both economic and business risk factors underlying such forward-looking information, actual results may differ materially from those expressed or implied by these forward-looking statements.

1. Financial and operating highlights

Financial highlights

- Revenue growth of 7% to A$252.3 million (2015: A$235.9 million) for the full year with an accelerating trend in H2 (+10%)
- Strong gross profit growth of 21%, driven by 300bp margin improvement to 26.4%, also accelerating through the year
- Performance building well in the target growth territories:
    - South-East Asia[1] 20% revenue growth; gross profit +117%
    - United Kingdom 139% revenue growth; gross profit +133%
- Total overheads reduced, in line with plan, to 24% of revenue (2015: 27%)
- Operational leverage driving underlying EBITDA[2] up to A$5.5 million (2015: EBITDA loss –A$9.5 million)
- Strong balance sheet with cash balance of A$34.0 million
- The good trading momentum has continued - performance above expectations so far in the current year

Operational highlights

- Focus on improving gross margins and activating customers with higher lifetime-value
    - Average order value increased 20% to A$90 (2015: A$75)
    - Average revenue per active customer increased 9% to A$302 (2015: A$276)
- Further growth in mobile which now represents 58% of orders (2015: 56%) with over 6.7 million mobile apps downloaded
- Active customer numbers returned to growth in H2
- Returns rate remains at industry leading levels of only 5%
- Increase in sales from own-buy inventory to circa 15% (2015: 10%) in-line with strategic plan to grow gross margin
- Technology improvements including; enhanced search functionality across the platform to drive customer engagement; and more efficient logistics to reduce unit costs
- Acquisition of an Australian online retail business was integrated prior to the year end and anticipated to drive marketplace revenues in current and future years.
- After the year end, a partnership with Sports Direct has been launched in Australia.

[1] South East Asia: Hong Kong, Malaysia, Singapore, Philippines and Thailand

[2] Underlying EBITDA is earnings before interest, tax, depreciation, amortisation, share based payments and one-off and non-trading items as presented in Note 6 to the financial statements

2. Chairman's statement

I am delighted to present my second set of full-year results to shareholders. The year to 30 June 2016 has been a key one for the group; we have restored profitability and returned MySale to a growth path. We have now exited the stabilisation phase and are looking forwards with confidence.

During the year the group made good progress against the goals we had set ourselves and this is reflected in the much improved financial performance. The achievements of the year are due to the focus, hard work and dedication of the entire MySale team and their contribution deserves recognition and thanks.

Our strategy is clear – we will drive profitability in our core ANZ market and focus on growth in our less developed markets in South-East Asia and the United Kingdom. We aim to drive increased activity with existing customers, grow our active base and increase profitability whilst re-investing for growth. We already have well invested technology and distribution platforms, but will continue the process of improvement to raise the bar for our customers and global brand partners. Our partnership with Sports Direct is testimony to the quality of the solutions that we provide to our partners.

Whilst the peak trading period lies ahead at this early stage we are performing ahead of our expectations for the current financial year and have a number of exciting new initiatives in place which will support our future growth.

Iain McDonald
Chairman
London
27 September 2016

3. Review of operations by the Chief Executive Officer

MySale Group Plc ('group') has made good progress in the financial year to 30 June 2016 (FY2015-16) as planned strategic initiatives have delivered improved financial performance and positioned the group for further, profitable, growth. The group has now grown underlying EBITDA in each of the last three half year periods.

In the 12 months to 30 June 2016 the group's revenue rose 7% to A$252.3 million (2015: A$235.9 million) and gross profit increased 21% to A$66.7 million (2015: A$55.2 million) following a 300bp improvement in gross margin to 26% (2015: 23%). This growth in both revenue and gross profit accelerated across the financial year.

	FY2015-16		growth vs 2015		FY2014-15	
A$ 000's	Revenue	Gross Profit	Revenue	Gross Profit	Revenue	Gross Profit
Group	**252,289**	**66,656**	**+7%**	**+21%**	**235,853**	**55,232**
ANZ	210,710	57,060	+3%	+12%	205,340	50,879
S-E Asia	31,590	7,546	+20%	+117%	26,333	3,472
ROW	9,989	2,050	+139%	+133%	4,180	881

The rate of revenue and gross profit growth progressively strengthened during the financial year driven by the group's clear strategy to provide exceptional value and choice to our customers and supported by the group's proven digital marketing activities, efficient international operations and flexible technology platform.

The improved trading performance combined with the previously reduced overhead base saw the group generate positive underlying EBITDA of A$5.5 million for the year, in contrast to the underlying loss incurred in the previous financial year (2015: EBITDA loss of A$9.5 million).

During the year the group continued its strategic plan to prioritise growth of gross margins and secure higher lifetime-value customers in all territories by curtailing postage promotions, improving the merchandising and increasing the proportion of own buy inventory.

This strategy has translated into improved overall financial performance as gross profit margin increased 21% driven by a 300bp increase in gross margin, to 26% (2015: 23%). Importantly the plan has delivered increases in both average order values and average annual spend per active member to A$90 (+20%) and A$302 (+10%) respectively. As anticipated the execution of this plan meant fewer active customers in the first half of the financial year but following this period of repositioning growth in active customer numbers resumed in the second half of the year.

All territories have increased revenue and gross profit however it is in the two target growth territories that the group has seen the most notable rates of growth. In South East Asia revenue grew by 20% but more importantly gross profit increased by over 100% as the strategy of building scale and then focusing on margins began to show its success. The refocus on the core business instigated in early 2015 is also delivering very good results in the United Kingdom, where the group trades predominately under the Cocosa brand, and following refinement to the operations here, the group had an exceptional year with both revenue and gross profit increasing more than 130%.

Australia & New Zealand

Within this operating territory the group has successfully implemented its strategic initiatives and improved gross profit, by 12% to A$57.0 million (2015: A$50.9 million) and gross margin to 27% (2015: 25%) whilst also growing revenue by 3% to A$210.7 million (2015: 205.3 million). An improved merchandising offer has seen average order value increase 15%, in line with the group trend, to A$85.

The improvement in gross margin has been achieved despite the challenge of weaker AUD exchange rates increasing the local cost of internationally sourced goods.

While the group's operation in ANZ is long established, it continues to provide attractive growth possibilities due to both the lower levels of internet penetration, in comparison to territories such as the United Kingdom and the USA, and this region's relative lack of off-price retailers.

This region shall benefit from the recent acquisition of three online retail websites which will underpin growth in the number of active customers and expansion into a marketplace offer.

South-East Asia

During the period this region had revenue growth of 20% to A$31.5 million (2015: A$26.3 million) and an excellent 117% increase in gross profit to A$7.5 million (2015: A$3.5 million), principally driven by an almost doubling of the gross margin to 24% (2015: 13%). The growth in revenue and profitability has been driven by the group's localisation plan for each territory which ensures that merchandising, pricing, payment and shipping solutions are all tailored to the needs of local consumers. A 23% rise in average order value to A$91 (2015: A$74) is testimony to the relevance of the group's online retail offer in this region. The increases recorded in revenue and gross margin accelerated across the year.

The significant improvement in the rate of gross margin to 24% has been achieved by the localised plan, as above, an expanded range of merchandise, including own-buy inventory, and fewer delivery promotions and this increased rate represents the group's expectation for future performance.

The group's strategy for this territory has been to firstly grow the active member base and then to build gross profitability and leverage this increasing scale to use resources more efficiently and achieve lower shipping rates. With a more profitable model now established, South-East Asia reinforces its position as a key element of the group's growth strategy.

In the medium to long term this region is anticipated to be increasingly significant as the group grows the member base and demand for branded products, particularly European and USA brands, is expected to grow. With a substantial addressable population, increasing disposable income, lack of off-price competition and high mobile penetration this region is well served by the group's strong value, branded sales offer and exceptional mobile commerce capability.

Rest of World

This territory comprises the group's nascent operations within the United Kingdom, re-launched in the second half of FY2015 and trading predominately under the Cocosa brand which provides customers with compelling value in premium branded products. The United Kingdom had a positive first half, as revenue increased by more than 50%, but saw a further step up in the second half with a growth rate over 200% thereby achieving revenues of A$10.0 million (2015: A$4.2 million) for the financial year, some 139% higher than the previous year. This significant growth was underpinned by increased numbers of active customers and leveraged by increased frequency and average order value.

These are encouraging results and position the business for further growth in the current financial year. Whilst currently a relatively small part of the group's overall activities, this business operates in the UK's large and well developed online marketplace where engaged and active consumers can be acquired successfully. Given there is no online flash sale operator of scale in the UK the group has targeted becoming a leading operator in the country.

Group

The basis of the group's improved trading and financial performance this financial year has its foundations from FY2015 when the group re-focused the business on its core aims of providing exceptional value in branded products to our customers and exceptional inventory management solutions to our brand partners within the group's three core territories. Whilst there is still work to do and many opportunities to capture, momentum has increased and FY2015-16 represents another step on the path of profitable growth.

The improved trading performance and gross profit has combined with lower rates of overhead cost (circa 24% of revenue) and delivered underlying EBITDA of $5.5 million for the year, in sharp contrast to the EBITDA loss of A$9.5 million incurred in the previous year. A cost saving programme saw the rate of costs in staff and marketing costs lowered compared to the prior year. The group has however increased investment into its technology capabilities and will increase this investment further in the coming year to ensure the group has a robust and scalable platform on which to grow the business.

During the year, and across all territories, the group continued to dedicate nearly all its marketing spend, which was circa 7% of revenue, into measurable digital channels to attract and engage new and existing customers. Ongoing communications with existing customers has seen those loyal and engaged customers continue to spend with reliable regularity and with increasing order sizes.

The group has maintained its investment into further developments of its technology platform, on which all territories operate. This has resulted in the delivery of a number of key initiatives to improve user experience, data capability and operational efficiency, including; a customer search function, advanced personalisation and recommendation engine and simplified, tokenised checkouts. In the coming year investment will be increased to capture further improvements and efficiencies and to extend the existing platform with wider retail marketplace functionality that will provide a solid base for growth.

Many new brands, including a number from Arcadia, have joined our roster of over 2,500 brands, attracted by the group's excellence in inventory management and our ability to efficiently distribute their products. The group's unique international distribution capability is a particular point of difference for European and USA brands.

The group implemented its strategy to increase the proportion of inventory that is own-buy, rather than on a consignment basis, and that now represents circa 15% of online revenue, up from 10% the previous year, which in turn supports higher gross margins and wider product selection for customers. Own-buy activity is concentrated on staple, branded goods. We are now a little over 18 months into the plan to re-focus our buying teams and have seen the benefits begin to accrue as relationships with brands and suppliers strengthen and deepen and, in the period, a number of exclusive sourcing arrangements were agreed.

The combination of the group's sourcing, compelling consumer value and reliable service means that returned goods remain at industry leading levels of only 5% overall.

The group currently has circa 32,000 square metres of warehouse space which house the group's inventory and logistics and distribution resources and these have the capacity to absorb significant growth. The processes of these warehouse operations are continually refined to accommodate broader product ranges, deliver the most efficient workflows and ensure the group's customers receive the products they select within the timeframes they expect. During this year improved technology deployment in this area reduced individual unit economic costs by around 4.5%.

Acquisition of Australian online retail websites

The group completed the acquisition of three Australian online retail websites during the year. The acquisition includes the domain names 'OO.com.au'; 'dealsdirect.com.au'; and 'topbuy.com.au' and all associated customer databases, intellectual property, trademarks and goodwill and these websites were integrated to the group's technology and logistics platform in the fourth quarter of the financial year.

This acquisition provides an online retail opportunity that is highly complementary to the group's core flash sale model and it will facilitate one of the broadest customer reaches of an Australian based online retailer; widen the product selection for customers and leverage the groups existing infrastructure.

The three websites all fit with MySale's hard discount strategy and offer compelling value to consumers, principally across the key MySale categories of Home and Fashion but also low price unbranded, fun gifts. The group realises a number of strategic benefits from this acquisition. Firstly, it grows the group's ANZ[3] active customer base, and secondly, it accelerates the group's development of its retail marketplace capability, focussed on complementary product categories, which provides a good base for further growth in FY2016-17 and beyond. Thirdly, and perhaps most importantly, the acquisition demonstrates the group's ability to efficiently integrate acquisitions onto the group's proprietary technology and operational platforms.

The rapid development of its online retail website offer has also accelerated the group's overall online retail marketplace capability. A new technology platform supporting flash, retail and marketplace activity is now in place and underpins the group's ability to provide complete marketplace solutions to our brand partners and we shall use this opportunity to broaden and deepen our relationships with brands.

New partnership

The group is pleased to have launched a strategic partnership with Sports Direct after the financial year closed.

The Sports Direct partnership is for the launch of inventory on the group's Australian retail websites. This initiative will offer Australian consumers access to great sports brands at great prices in a sector with few existing operators of scale. The partnership will add approximately 150,000 SKUs to the Australian online retail offer and seamlessly integrates MySale's consumer websites with the Sports Direct supply chain at an individual product level. Once successfully implemented and developed this Sports Direct partnership may be extended into additional territories of New Zealand and South-East Asia. This partnership also represents the first flagship retailer to join our nascent retail marketplace platform. The first products have already started shipping to customers and this will be reflected in our first half performance.

Our Goal, Strategy and Tactics

Our goal is a simple one. To grow annual revenues to more than A$1 billion and to improve our return on sales. While this may sound aggressive, we operate in big markets, partner with global brands and already have a strong platform to grow.

Our strategic objectives remain unchanged:

[3] Australia and New Zealand

- Drive increased activity with existing customers
- Grow our active base
- Increase profitability whilst re-investing for growth

The tactics that have or will be adopted to achieve these strategic aims include:

- Deploy proven digital marketing and engagement tactics to acquire and retain loyal and frequent customers
- Invest in technology to improve customer experience, conversion and engagement
- Focus on newer geographies in South-East Asia and the UK
- Utilise our international sourcing capability to drive frequency and volumes
- Add new categories and more products to drive activity and profitability
- Forge partnerships with global brands and retailers and provide solutions to their excess inventories
- Selective M&A to drive the active customer base and enter new categories

Outlook

The group has had a good year in FY2015-16 with significantly improved operational performance and solid progress against its strategic aims. There has been an encouraging start to the current financial year, with trading ahead of expectations and, although the group's key trading period still lies ahead, the board is confident in the group's prospects for the year.

The new strategic partnership with Sports Direct is testimony to the capabilities the group is able to offer large retail partners and alliances such as this will provide further catalyst to the growth plans.

The group's diversified international operations should be well insulated from any uncertainty associated with the United Kingdom's prospective exit from the EU and in the immediate term the Group will experience some benefit from a weaker GBP Sterling exchange rate. Additionally, the group's core customer offer of compelling, discounted value in branded products should be highly relevant for consumers in tightening economic conditions.

Carl Jackson
Chief Executive Officer
London
27 September 2016

4. Financial review by the Chief Financial Officer

Revenue and Gross Profit
For the year ended 30 June 2016 group revenue increased by 7% to A$252.3 million (2015: A$235.9 million) and gross profit increased 21% to A$66.7 million (2015: A$55.2 million) as a result of the strategic plans implemented in 2015.

Operating expenses
Underlying operating expenses decreased 8% to A$61.7 million (2015: A$66.4 million) in the year under review following a cost reduction programme initiated in 2015 which primarily focused on reducing marketing and headcount costs. These efficiencies have reduced the operating expenses as a percentage of Revenue to 24% (2015: 27%).

Loss After Tax
The loss after tax reported for the financial year is $A0.2 million (2015: A$17.8 million loss). This loss is after the inclusion of a number of exceptional and non-cash items which are shown in more detail in note 6 to the financial statements in order to give greater insight as to the underlying profitability of the group.

Taxation
The group has recorded a tax expense of A$0.4 million for the year (2015: tax benefit of A$3.7 million) which represents an effective rate in excess of the 30% the group anticipates as the long term expectation. This higher rate arises due to various tax adjustments and timing differences. Full details are provided in note 9 to the financial statements. The group has total tax losses of A$31 million (2015: A$30 million) with the majority located in Australia. The entire tax loss has been recognised with the provision of a deferred tax asset of A$9.3 million.

Balance Sheet, Cash and Working capital
The group's closing cash balance was A$34.0 million (2015: A$39.9 million). This movement is largely a reflection of changes in working capital during the year, in particular increased inventory. This increase arose principally from the group's strategic investment into more own-buy inventory which supports the drive to improve gross margins.

Inventory is now at a level that will support the continued growth of the group's own-buy business. The group would expect further growth in inventory levels to be in line with the overall growth of the business.

Capital expenditure during the period was A$4.0 million (2015: A$4.1 million), in line with the prior period, and principally represents investment, to support the group's growth plans, in equipment for the group's logistics facilities and development of the technology platform. As part of the Group's strategic plan it is anticipated that investment in capital expenditure shall increase.

Banking Facilities
The group holds significant cash balances, held principally with HSBC with whom the group also has trade finance multi option debt facilities of GBP£3.0 million (increased to GBP£7.0 million post year-end). In addition the group has trade finance facilities of A$12.2 million with ANZ Bank. All facilities are renewed on an annual basis. Of the total facilities of A$18.3 million, A$10.8 million remains undrawn at the year-end.

Key Performance Indicators
The group manages its operations through the use of a number of key performance indicators (KPI's) such as revenue, revenue growth, gross margin percentage, average revenue per active member, and underlying EBITDA

Underlying Basis
The group manages its operations by looking at the underlying EBITDA which excludes the impact of a number of one off and non-cash items as this, in the Board's opinion, provides a more representative measure of the group's performance. A reconciliation between reported profit before tax and underlying EBITDA is included at note 6 to the financial statements.

Andrew Dingle
Chief Financial Officer
London
27 September 2016

5. Principal risks and uncertainties

The management of the business and the execution of the group's growth strategies are subject to a number of risks which could adversely affect the group's future development. The following is not an exhaustive list or explanation of all risks and uncertainties associated with the group, but those considered by management to be the principal risks:

Membership base

The group needs to attract new 'active' members, in sufficient numbers, especially in markets where the group already has a degree of market penetration, such as Australia and New Zealand ('ANZ'). In order to expand its membership base, the group is appealing to members who have historically used other methods to purchase products, such as in-store, retailers' own websites or the websites of the group's competitors. The 'flash sale' model operated by the group needs to continue to be successful. The group's strategies require existing members to make repeat purchases from the group. The group's current 'lapsed client strategy' uses personalised emails, vouchers and prompting emails to attempt to re-engage members to purchase product regularly. If these strategies fail, the group's membership base may be reduced which could have an adverse effect on the group's operating results and financial condition.

Cost efficiencies

The group targets a 'cost per acquisition' ('CPA') that is acceptable based on the expected member value and the group's likelihood of recovering the acquisition costs. Increasing the group's membership base is necessary to avoid the group incurring significantly higher marketing expenses and as a result, higher CPA, which could have an adverse effect on the group's operating results and financial condition.

Strategies and expansion plans

The group's strategies and expansion plans, particularly into new geographies, may result in unforeseen costs or require significant management attention or resources. The group may not perform to expectations and, in the case of new geographies, prove to be unsuccessful. In new markets, the group is required to develop banking and merchant solutions, delivery solutions and expand its infrastructure of people and information systems and train and manage its expanding employee base. In new jurisdictions, the group may compete with companies already operating in the relevant market, and these companies may understand the local market better than the group. Unsuccessful attempts at expansion into new jurisdictions could damage the group's reputation, incur significant unanticipated costs and as a result, adversely affect the group's business, prospects, operating results and financial condition.

Product inventory

The group requires a continuous source of inventory, from existing suppliers or new suppliers, at appropriate prices, on appropriate terms, in a timely manner and/or in sufficient volume. A key driver for the group's success is its ability to source product from a wide variety of brands, styles, categories and product types at discounted prices. The group does not have contractual assurances of continued supply, pricing or access to new products from existing suppliers. However, the group maintains strong relationships with suppliers and provide them with an effective mechanism to distribute their products. To maintain its reputation, the group depends on suppliers to provide high quality, genuine, product merchandise that meets with members' expectations. If the group is unable to continue to source such products, member engagement and purchases would likely reduce while costs increase and as a result, the group's operating results and financial condition could be adversely affected.

Growth in e-commerce and flash sales

The business of selling products over the internet, particularly on the flash sale model, is dynamic and relatively new. The market segment for the flash sale model has grown significantly, and this growth may not be sustainable. If members cease to find the flash sale model shopping experience fun, entertaining and good value, or otherwise lose interest in shopping in this manner, the group's member base and buying patterns may decline and could negatively affect net sales and have an adverse effect on the group's operating results and financial condition.

Global economy

The group's performance is subject to global economic conditions. Deterioration in these conditions may reduce consumer spending, particularly on discretionary items, which includes the group's merchandise. Adverse economic changes in any of the regions in which the group sells its products could reduce consumer confidence and could negatively affect net sales and have an adverse effect on the group's operating results and financial condition.

Technology and emails

The group's Information Technology ('IT') systems are integral to its operations. The technology supports the group's websites and mobile applications, logistics management, product information management, administration management systems, security systems and third-party data centre hosting facilities. If the IT systems do not function properly there could be system disruptions, corruptions in databases or other electronic information, delays in sales events, delays in transaction processing, website slowdown or unavailability, loss of data or the inability to accept and fulfil member orders which, if sustained or regular, could adversely affect the group's business, operating results and financial condition.

The group's business is highly dependent on engaging with members via daily emails and other messaging services. These inform members of the day's sales events, prompting them to visit the relevant website or mobile application and purchase products. The group relies on the successful delivery of emails or other messages to members and also that members actually open and read the emails. Webmail prioritisation, 'spam' and blocking filters and local laws on sending emails could affect the group's business, prospects, operating results and financial condition.

Competition

Competitive pressures, changes in product and fashion and hence consumer demand are continuing risks which could result in the loss of sales. The group manages this risk by the continuous sourcing of new products, adding new sales categories and marketing to stimulate member interest and by maintaining strong relationships with its members.

The group does not take delivery of products from supplier until after it has been ordered by members and therefore delivery times may be longer than some other competitors. If the group seeks to decrease delivery times in order to tackle the competition and meet member demand, additional shipping costs are likely to be incurred. These costs may not be able to be passed on in full or at all to members. Alternatively, the group may be required to change its operations to carry additional inventory and face additional inventory risk.

Logistics and distribution networks

The group uses third-party logistics providers to manage, process and ship product between group locations and directly to members. There is a risk that the group may experience network interruptions (including third parties' delivery services) which may prevent the timely or proper delivery of products. These could damage the group's reputation, deter repeat customers, deter suppliers from dealing with the group and adversely affect its business, operating results and financial condition.

Loss of people

The group's senior executive team is instrumental in implementing the group's business strategies and executing business plans which support the business operations and growth. The sourcing teams have strong supplier relationships which are central to the group's ability to source discounted, quality products. Service agreements are in place and the risk of the loss of key personnel is mitigated by regular reviews of remuneration packages (including long term incentive schemes) and succession planning within the team.

Trademarks and brand reputation

Maintaining and enhancing the brand is critical to the group's strategies going forward. If the group fails to meet member (and supplier) expectations, receives negative publicity or unfavourable member reviews and complaints on social media platforms, these could damage the brand and reduce consumer use of the group's websites and mobile applications. If the group fails to maintain the brand or if excessive expenses are incurred in this effort, the group's business, operating results and financial condition may be materially and adversely affected. As with all brands, the group is exposed to risk from unauthorised use of the group's trademarks and other intellectual property. Any infringement could lead to a loss in profits and have a negative impact on image and continued success. Trademarks are registered and where any infringements are identified, appropriate legal action is taken.

Changes in indirect tax rules

Changes in local indirect tax, such as sales taxes, good and services tax and value-added taxes, and duty treatment in any of the markets in which the group operates could have an impact on the sales of products in those markets. Such changes could reduce the attractiveness of the group's sales offering and have a material and adverse effect on the group's financial condition and financial results.

Cash

The management of the group's cash is of fundamental importance. The group maintains all cash balances with large, appropriately capitalised, international financial institutions and seeks any necessary credit facilities from these institutions. The group relies on access to its cash and credit facilities in order to trade successfully and restrictions to such access could have a material and adverse effect on the group's financial condition and financial results.

6. Corporate social responsibilities

The group's approach is to make a positive difference to the people, environment and communities in which it works. Examples include engaging not-for-profit employment agencies, to motivate and upskill the local unemployed community to sustain employment with the group and investing in warehousing training programs such as a Certificate 3 in Warehousing and Logistics for the group's Australian staff. To reduce waste and the impact on the environment the group does not put copies of customer invoices in its parcels, but rather provides them online.

7. People

Equal opportunity

The group is committed to an active equal opportunities policy. It is the group's policy to promote an environment free from discrimination, harassment and victimisation, where everyone receives equal treatment regardless of gender, colour, ethnic or national origin, disability, age, marital status, sexual orientation or religion. Employment practices are applied which are fair, equitable and consistent with the skills and abilities of the employees and the needs of the group.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and that appropriate re-training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employee consultation

The group places considerable value on the involvement of its employees and has a practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the group, which is achieved through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

As the company is listed on the Alternative Investment Market, a market regulated by London Stock Exchange Plc, it is not required to comply with any particular corporate governance code. However, the directors recognise the value and importance of high standards of corporate governance and acknowledge the importance of the principles set out in Quoted Companies Alliance ('QCA') Corporate Governance Code for Small and Mid-sized Quoted Companies 2013 (the 'QCA Code'). The Board therefore applies the principles of the QCA Code where they consider it appropriate for a company of MySale's size and nature.

The Board of Directors

During the financial year ended 30 June 2016 and as at the date of approval of these financial statements, the Board consisted of five directors as shown below. Both non-executive directors are considered independent under the criteria identified in the QCA Code and together they bring considerable knowledge, skills and experience to the Board and its deliberations. The members of the Board are:

Iain McDonald	Independent Non-Executive Chairman
David Mortimer AO	Independent Non-Executive Director
Jamie Jackson	Executive Director and Vice Chairman
Carl Jackson	Executive Director and Chief Executive Officer
Andrew Dingle	Executive Director and Chief Financial Officer

Biographies for each of the current directors are set out in the Directors' report under 'Information on directors and their interests'.

Schedule of matters reserved specifically for the Board include:

- overall business strategy of the group;
- review of key operational and commercial matters;
- review of key financial matters, including changes to the group's capital structure, borrowing facilities, acquisitions, disposals and material capital expenditure;
- membership of the Board and its standing Committees, including delegation of authority to the Audit and Remuneration Committees;
- approval of full year and half-year financial statements and any interim management statements or other financial disclosures;
- regulatory and shareholder communications; and
- appointment and performance review of key advisors.

The Board meets formally on a regular basis to consider strategy, performance and the framework of internal controls. Prior to each meeting, all directors receive appropriate and timely information including briefing papers which enable them to discharge their duties. Directors have access to the advice and services of the company secretary and external legal and financial advisers who together provide guidance and confirmation that Board procedures are followed and applicable rules and regulations are complied with. With the prior approval of the chairman, directors are able to obtain independent professional advice in the furtherance of their duties, at the company's expense.

Details of the service contracts of the executive directors and the letters of appointment of the non-executive directors are set out in the Directors' remuneration report.

In order to facilitate the business of the company, and in line with the recommendations of the QCA Code, the Board has delegated certain of its responsibilities to the Audit Committee or Remuneration Committee, as appropriate.

Audit Committee

The Audit Committee has the primary responsibility for monitoring the adequacy and effectiveness of the group's systems of internal financial control and risk management, ensuring that the financial performance of the group is properly measured and reported on, reviewing and challenging reports from management and the external auditor relating to the company's accounting and internal controls and appraising the need for an internal audit function, in all cases having due regard to the interests of shareholders. The full terms of reference of the Audit Committee are available on the company's website.

The members of the Audit Committee are:

David Mortimer AO	Member
Iain McDonald	Chair

The Audit Committee met three times during the financial year.

The Chief Financial Officer has a standing invitation to attend all meetings of the Audit Committee. The remaining executive directors, other members of the senior management team or the company's advisers may be invited to attend all or part of any Audit Committee meeting, where appropriate, and minutes of meetings are circulated to all Board members, unless it would be inappropriate to do so.

Remuneration Committee

The Remuneration Committee is responsible for reviewing the performance of the executive directors and for determining the terms and conditions of their employment, level of remuneration including short-term and long-term incentives, having due regard to the interest of shareholders in all matters. The full terms of reference of the Remuneration Committee are available on the company's website.

Details on the structure of the company's remuneration policy and the emoluments paid to the Board members during the financial year are set out in the Directors' remuneration report.

The members of the Remuneration Committee are:

Iain McDonald	Chair
David Mortimer AO	Member

The Remuneration Committee met once during the financial year.

The executive directors, head of human relations or the company's advisers may be invited to attend all or part of any Remuneration Committee meeting, where required, and minutes of meetings are circulated to all Board members, unless it would be inappropriate to do so.

Internal financial controls

The Board place considerable importance on maintaining full control and direction over appropriate strategic, financial, organisational and compliance issues, and have in place an organisational structure with formally defined lines of responsibility and delegation of authority. There are established procedures for planning, capital expenditure, information and reporting systems and for monitoring the group's business and its performance. Adherence to specified procedures is required at all times and the Board actively promotes a culture of quality and integrity. Compliance is monitored by the Audit Committee which, in turn, reports its findings to the Board.

The Board, via delegated authority to the Audit Committee, is also responsible for the group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve the group's business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The agreed processes include comprehensive budgeting systems with an annual budget approved by the Board, monthly consideration of actual operational results compared with budgets, forecasts and regular review by the Board of year end forecasts. The Board reports to shareholders half-yearly.

The group's control systems address key business and financial risks. Matters arising are reviewed on a regular basis.

As the company is listed on the Alternative Investment Market ('AIM'), it is not required to prepare a Directors' remuneration report. The following narrative disclosures are prepared on a voluntary basis for the group and are not subject to audit, unless otherwise specified.

Principles used to determine the nature and amount of remuneration

The objective of the group's remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns the remuneration for executive directors and key senior management with the achievement of strategic objectives and the creation of value for shareholders. The Board of Directors ('the Board') ensures that the remuneration for executive directors and key senior management satisfies the following key criteria for good reward governance practices:

- is competitive and is acceptable to shareholders;
- aligns executive compensation with company performance and shareholder return; and
- is transparent.

The Remuneration Committee, as detailed in the Corporate governance, is responsible for reviewing the performance of the executive directors and senior employees of the group and for determining the terms and conditions of their employment, level of remuneration including short-term and long-term incentives, having due regard to the interest of shareholders in all matters.

The number of times the Remuneration Committee met is also detailed in the Corporate Governance section.

Remuneration of directors

The fees payable to the directors shall not exceed an aggregate amount of £1,500,000 per annum or such greater amount as shall be determined by the company's shareholders by ordinary resolution. This is distinct from any salary, remuneration or other amounts which may be payable to the directors.

The directors are entitled, under the Articles, to be paid all reasonable expenses as they may properly incur in attending meetings of the directors, committee meetings of the directors, shareholders meetings, or otherwise in connection with the discharge of their duties.

Executive directors' remuneration

The group's remuneration policy for executive directors considers a number of factors and is designed to:

- have regard to the director's experience and the nature and complexity of their work in order to pay a competitive salary, in line with comparable companies, that attracts and retains directors of the highest quality;
- reflect the director's personal performance;
- link individual remuneration packages to the group's long term performance and continued success of the group through the award of annual bonuses and share-based incentive schemes;
- provide post-retirement benefits through contributions to individual's pension schemes; and
- provide employment-related benefits that may include the provision of a company car or cash alternative, life assurance, insurance relating to the director's duties, housing allowance, medical insurance and permanent health insurance.

Directors' service agreements, salaries, bonuses and other incentive schemes

Each executive director has a service contract with the group, dated 10 June 2014. Executive directors' salaries are reviewed annually in line with the remuneration reviews for all other group employees. The basic annual salaries and key benefits as at 30 June 2016 are as follows:

Executive director	Base salary	Statutory superannuation	Motor vehicle allowance	Group entity with which the contract is with
Jamie Jackson	£150,000	-	£18,000	MySale Group Plc
Carl Jackson	A$275,000	A$26,125	A$30,000	Ozsale Pty Limited
Andrew Dingle	A$288,750	A$27,431	-	Ozsale Pty Limited

Executive directors' salaries are reviewed annually in line with the remuneration reviews for all other group employees.

Executive director's employment contracts are continuous. They may be terminated by either party by 6 months' written notice. The company may at its sole and absolute discretion terminate the employment of an executive director by making a payment in lieu of any unexpired notice period equal to their basic salary for that period. Executive directors have agreed to confidentiality undertakings, without limitation as to time, and has agreed to non-compete, non-solicitation of staff and non-interference in supply restrictive covenants that apply for a period of 12 months following termination of employment with the group.

Executive directors are eligible to participate in a discretionary annual bonus scheme on the terms decided by the Remuneration Committee and may also participate in any benefits arrangements the group has in place for categories of employees of which he is a member, subject to and in accordance with the terms and/or rules of those arrangements from time to time.

Non-executive directors' remuneration

The remuneration of non-executive directors is a matter for the Chairman of the Board and the executive directors and no director is involved in any decisions as to their own remuneration.

David Mortimer AO and Iain McDonald entered into letters of appointment on 3 June 2014 and 27 July 2015, respectively. David Mortimer's letter was updated on 12 August 2015. Each receives a fee for their services which takes into account the role undertaken. They do not receive any pension or other benefits from the group.

The annual fees for non-executive directors, effective at the date of this report, are as follows:

Non-executive director	Base fee	Group entity with which the appointment is with
Iain McDonald	£75,000	MySale Group Plc
David Mortimer AO	£40,000	MySale Group Plc

The appointment of any non-executive director is terminable on 3 months' written notice.

The following information is subject to audit.

Directors' remuneration for the year ended 30 June 2016 was as follows and this information is subject to audit:

	Basic salary/ fees	Bonus	Taxable benefits	Pension contributions	Total 2016	Total 2015
Non-executive directors:						
Iain McDonald	£68,750	-	-	-	£68,750	-
David Mortimer AO	£45,000	-	-	-	£45,000	£100,000
Adrian MacKenzie	£3,333				£3,333	£40,000
Executive directors:						
Jamie Jackson	A$307,200	-	A$36,864	-	A$344,064	A$236,082
Carl Jackson	A$275,000	-	A$47,311	A$28,975	A$351,286	A$315,939
Andrew Dingle	A$288,750	-	A$26,404	A$27,431	A$342,585	A$313,439

The company had two employee share plans prior to its AIM admission on 16 June 2014: (i) the Executive Incentive Plan ('EIP') and (ii) the Loan Share Plan ('LSP').

(i) The Executive Incentive Plan
On 16 June 2015, Andrew Dingle became entitled to 201,115 ordinary shares which vested on that date but were not exercised until July 2015 in accordance with the EIP. Andrew Dingle had a previous entitlement to a cash bonus payable on AIM admission but had agreed to defer the payment and take it in the form of a conditional award under the EIP, which was subject to a continued employment with the group.

In July 2015, 3,000,000 options over the ordinary share capital of the company were granted to the chairman Iain McDonald with an exercise price of 53p. 1,000,000 options will vest when the company's share price reaches £1.50, a further

1,500,000 shall vest when the company's share price reaches £2.26 and a further 500,000 shall vest when the company's share price reaches £2.75. The options expire five years after the grant date. Other than the vesting conditions, all other terms are the same as the EIP. The fair value of the accounting expense in relation to these options are recognised over the vesting period.

(ii) Loan Share Plan
The emoluments disclosed above do not include any amounts for the value of share awards granted to the directors who have been selected to participate in the LSP. The LSP enables directors and employees selected to participate to buy or subscribe for ordinary shares of the company, using a loan from the company. The ordinary shares are bought on-market or are subscribed at market value. The loan is then repayable, five years from grant date, and the ordinary shares may be sold to repay the loan on vesting. The loan is interest-free and recourse is limited to the value of the ordinary shares bought with it. 50% of the ordinary shares vested two years after AIM admission (16 June 2016) and the remaining 50% will vest three years after (16 June 2017), however vesting is subject to the Remuneration Committee being satisfied that the underlying performance of the group justifies vesting. In determining this, the Remuneration Committee will have regard to Revenue and Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA') included in the company's internal forecasts as at the date of allocation. The fair value of the accounting expense in relation to the share awards for the loan share plan are recognised over the vesting period.

During the year the Board decided to change the vesting conditions for future grants for the EIP and LSP plans beginning with the August 2015 grant. 100% of future awards will now vest three years from grant date and are subject to the achievement of the Underlying EBITDA target set by the Board in the year of the grant.

Shares granted under the LSP are as follows:

	Balance 1 July 2015	Granted	Exercised	Cancelled	Balance 30 June 2016	Exercise price (£)	Date of exercise	Market price on exercise (£)
Iain McDonald	-	-	-	-	-	-	-	-
David Mortimer AO	-	-	-	-	-	-	-	-
Jamie Jackson	-	-	-	-	-	-	-	-
Carl Jackson	111,499	-	-	-	111,499	£2.26	-	-
Andrew Dingle	-	357,138	-	-	357,138	£0.51	-	-

Share price information
The market price of MySale Group Plc ordinary shares at 30 June 2016 was £0.65 (2015: £0.52) and the range during the financial year was between £0.41 and £0.72 (2015: £0.47 and £2.35).

The directors present their report, together with the financial statements and independent auditor's report, on the consolidated entity (referred to hereafter as the 'consolidated entity', 'group' or 'MySale') consisting of MySale Group Plc and the subsidiaries it controlled at the end of, or during, the year ended 30 June 2016.

Directors

The directors who have served on the Board of MySale Group Plc during the whole of the financial year and up to the date of this report are set out below:

Iain McDonald
David Mortimer AO
Jamie Jackson
Carl Jackson
Andrew Dingle

Information on directors and their interests

Biographies for the directors and their interests in the ordinary shares of the company, are shown below:

Name:	Iain McDonald
Title:	Independent Non-Executive Chairman
Age:	46
Experience and expertise:	Iain was appointed to the Board in July 2015. Based in London, Iain has a wealth of experience of high growth, online businesses and capital markets which the Board believes will be of great benefit to the group. Iain is a partner with the William Currie Group of Companies ('WCG'), a family business founded by financier Bill Currie to invest primarily in technology and e-commerce companies. Iain has worked with WCG for seven years now during which time WCG has built upon its already strong track record in the sector, having invested in the early stages of development of companies including ASOS, The Hut Group, Metapack, Eagle Eye Solutions and Anatwine. As well as working on the investment side of the business, Iain is a non-executive director at The Hut Group, Anatwine and Houseology.com.

Name:	David Mortimer AO
Title:	Independent Non-Executive Director
Age:	72
Experience and expertise:	David was appointed to the Board in May 2014. He has over 40 years of corporate finance and commercial experience predominantly whilst working in Australia and the US. Amongst David's broad experience, notable appointments include current chairman of Crescent Capital Partners, and former appointments include CEO of TNT Limited worldwide group, chairman of Australia Post, chairman of Leighton Holdings, chairman of Sydney Airports and deputy chairman of Ansett Australia Holdings. David was also appointed an Officer of the Order of Australia in 2005.

Name:	Jamie Jackson
Title:	Executive Director and Vice Chairman
Age:	51
Experience and expertise:	Jamie founded MySale in 2007 having identified the gap in the Asia-Pacific region for an online flash sales marketplace. He has been involved in the fashion wholesale business for more than 20 years, including senior roles with French Connection and President Stone. Jamie also built up extensive experience in managing and operating his own retail stores in the UK and Australia including liquidating leading brands' excess stock to retailers for companies such as TK Maxx, Costco and Tesco. Building on this experience. He is currently focused on the group's international buying, product development and strategic partnerships.

Name:	Carl Jackson
Title:	Executive Director and Chief Executive Officer
Age:	53
Experience and expertise:	Carl joined MySale in 2009 and has over 26 years of international operational, sales and commercial management experience gained from a number of retail and consumer venture capital investments including senior management retail experience and 15 years in retail and consumer brand private equity. Carl has led MySale's expansion into New Zealand and South-East Asia to over 10 million members and has ongoing responsibility for the group's day-to-day operations and new market expansion.

Name:	Andrew Dingle
Title:	Executive Director and Chief Financial Officer
Age:	46
Experience and expertise:	Andrew joined MySale in 2013 having previously served as ANZ CFO for Henry Schein, a US Fortune 500 company. He started his career with Grant Thornton initially in tax and business services before moving into insolvency and business reconstruction where he focused on the retail and manufacturing sectors. A move to the UK in 1997 enabled Andrew to work in a number of financial accounting roles across various industries including financial services, entertainment and retail. Andrew possesses strong financial, strategy and commercial management skills, including distribution and inventory management experience in multi-warehousing environments, and is focused on group finance, logistics and warehousing and strategy. Andrew is a qualified CPA and also holds an MBA from the Australian Graduate School of Management.

Directors' beneficial interests in the shares of the company:

Name	Ordinary shares	Percentage holding
Iain McDonald	248,482	0.2%
David Mortimer AO[4]	165,000	0.1%
Jamie Jackson	47,469,189	31.4%
Carl Jackson[2]	3,745,000	2.5%
Andrew Dingle	201,115	0.1%

Details of share options or share awards granted to the executive directors are disclosed in the Directors' remuneration report.

Information on company secretary

Name:	Prism Cosec Limited
Title:	Company Secretary
Experience and expertise:	Prism Cosec Limited is UK incorporated professional corporate company secretary, providing corporate governance and company secretarial services to quoted and unquoted companies.

Results and dividends

The results for the financial year are set out in the statement of profit or loss and other comprehensive income. No dividend has been paid during the financial year and the directors do not recommend a final dividend in respect of the year ended 30 June 2016.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going concern

The group's business activities, together with the factors likely to affect its future development, performance and financial position are given in the Strategic review and this Directors' report. In addition, the notes to the financial statements include details on the group's borrowing facilities and its objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposures to credit risk and liquidity risk.

The group has considerable financial resources together with a member base split across different geographic areas. The group's forecasts and projections, taking into account reasonably possible changes in trading performance, show that the group should be able to operate within the level of its current facility. As a consequence, the directors believe that the group is well placed to manage its business risks successfully.

The directors have, at the time of approving the financial statements, a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

[4] Held by David Mortimer and Barbara Mortimer as trustees for the Wallaroy Provident Fund
[2] Held by Jackson Capital Pty Ltd as trustee for the Jackson Family Trust.

Subsequent Event

The group's borrowing facility with Hong Kong and Shanghai Banking Corporation increased to £7,000,000 (previously £3,000,000) in August 2016. The facility is secured by a Corporate Guarantee. Refer to Note 38 Event after the reporting period.

Substantial shareholdings

At the reporting date, the company had been notified of the following interests of 3% or more of the share capital of the company, other than those of the directors above:

Name	Number of shares held	Percentage holding
Shelton Capital Limited	33,237,124	22.0%
Schroders plc	18,134,651	12.0%
Insight Venture Partners VI[5]	7,871,137	5.2%
Sports Direct International	7,251,065	4.8%

Charitable and political donations

The group made charitable donations of nil (2015: A$25,250) during the financial year. The group made no political donations.

Independent Auditor

In the case of each of the persons who are directors of the company at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

PricewaterhouseCoopers LLP have expressed their willingness to continue as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

By Order of the Board.

Iain McDonald
Chairman
London
27 September 2016

[5] Held by: (i) Insight Venture Partners VI, L.P. (5,735,901 ordinary shares); (ii) Insight Venture Partners (Cayman) VI, L.P. (1,801,915 ordinary shares); and (iii) Insight Venture Partners VI (Co-Investors), L.P. (333,321 ordinary shares)

The directors are responsible for preparing the financial statements of the group in accordance with applicable law and International Financial Reporting Standards ('IFRSs') as adopted by the European Union and financial statements of the parent company in accordance with applicable law and United Kingdom Accounting Standards.

The Companies (Jersey) Law 1991 requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the group and the parent company and of the profit or loss of the group for that period.

In preparing the financial statements, the directors are required to:
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether IFRSs as adopted by the European Union and applicable United Kingdom Accounting Standards have been followed for the group and the parent company respectively, subject to any material departures disclosed and explained in the group and parent company financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors confirm they have complied with all the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and the parent company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They have a general responsibility for taking such steps as are reasonable open to them to safeguard the assets of the group and the parent company and to prevent and detect fraud and other irregularities.

So far as the directors are aware, there is no relevant audit information of which the group and parent company auditors are unaware, and each director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group and parent company's auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors consider that the annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's performance, business model and strategy.

Each of the directors, whose names and functions are listed in the Directors' report confirm that, to the best of their knowledge:
- the group financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the group;
- the Directors' report includes a fair review of the development and performance of the business and the position of the group; and
- the Strategic report contains a description of the principal risks and uncertainties that the group faces.

Report on the financial statements

Our opinion

In our opinion:

- Mysale Group plc's group and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and parent company's affairs as at 30 June 2016 and of the group's profit and cash flows for the year then ended;
- the group financials have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financials have been properly prepared in accordance with United Kingdom Accounting Standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

What we have audited

The financial statements, included within the Annual Report and Financial Statements, comprise:

- the Balance sheet as at 30 June 2016;
- the Parent company Balance Sheet as at 30 June 2016;
- the Statement of profit and loss and other comprehensive income for the year then ended;
- the Statement of cash flows for the year then ended;
- the Statement of changes in equity for the year then ended;
- the Parent company statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the group financial statements is IFRSs as adopted by the European Union, and applicable law. The financial reporting framework that has been applied in the preparation of the parent company financial statements is United Kingdom Accounting Standards, comprising FRS 101: "Reduced Disclosure Framework", and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter

In our opinion, the information given in the Strategic report, Corporate governance, Directors' remuneration report, and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Accounting records and information and explanations received

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit ; or
- proper accounting records have not been kept; or
- proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 22, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Craig Skelton (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 September 2016

MySale Group Plc
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2016

	Note	2016 A$'000	2015 A$'000
Revenue			
Revenue from sale of goods		252,289	235,853
Cost of sale of goods		(185,633)	(180,621)
Gross profit		66,656	55,232
Other operating gains/(loss), net	5	2,173	204
Finance income		125	195
Finance costs	7	(97)	(58)
Finance income, net		28	137
Expenses			
Selling and distribution expenses		(37,460)	(47,952)
Administration expenses		(31,126)	(28,969)
Share of loss of joint venture	35	(104)	(116)
Profit/(loss) before income tax (expense)/benefit		167	(21,464)
Income tax (expense)/benefit	9	(364)	3,675
Loss after income tax (expense)/benefit for the year		(197)	(17,789)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net change in the fair value of cash flow hedges taken to equity, net of tax	23	(1,068)	740
Foreign currency translation	23	(2,161)	6,219
Other comprehensive income for the year, net of tax		(3,229)	6,959
Total comprehensive income for the year		(3,426)	(10,830)
Loss for the year is attributable to:			
Non-controlling interest		(20)	-
Owners of MySale Group Plc		(177)	(17,789)
		(197)	(17,789)
Total comprehensive income for the year is attributable to:			
Non-controlling interest		(20)	-
Owners of MySale Group Plc		(3,406)	(10,830)
		(3,426)	(10,830)
		Cents	**Cents**
Basic earnings per share	36	(0.12)	(11.81)
Diluted earnings per share	36	(0.12)	(11.81)

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

	Note	2016 A$'000	2015 A$'000
Assets			
Current assets			
Cash and cash equivalents	10	34,005	39,853
Trade and other receivables	11	9,058	23,630
Inventories	12	35,473	17,880
Derivative financial instruments		-	22
Income tax receivable		-	1,643
Other	13	7,973	4,736
Total current assets		86,509	87,764
Non-current assets			
Investments in joint venture		-	134
Property, plant and equipment	14	2,226	3,023
Intangibles	15	29,765	23,517
Deferred tax	16	10,295	10,320
Total non-current assets		42,286	36,994
Total assets		128,795	124,758
Liabilities			
Current liabilities			
Trade and other payables	17	29,548	29,240
Borrowings	18	6,476	1,189
Derivative financial instruments		1,047	-
Income tax payable		1,104	1,234
Provisions	19	2,163	2,115
Deferred revenue		11,677	11,147
Total current liabilities		52,015	44,925
Non-current liabilities			
Borrowings	20	-	64
Provisions	21	368	328
Total non-current liabilities		368	392
Total liabilities		52,383	45,317
Net assets		76,412	79,441
Equity			
Share premium account		306,363	306,363
Other reserves	23	(125,763)	(122,931)
Accumulated losses		(104,168)	(103,991)
Equity attributable to the owners of MySale Group Plc		76,432	79,441
Non-controlling interest	24	(20)	-
Total equity		76,412	79,441

The financial statements of MySale Group Plc (company number 115584) were approved by the Board of Directors and authorised for issue on 27 September 2016. They were signed on its behalf by:

Carl Jackson
Director

Andrew Dingle
Director

The above balance sheet should be read in conjunction with the accompanying notes

	Share premium account A$'000	Other reserves A$'000	Accumulated losses A$'000	Non-controlling interest A$'000	Total equity A$'000
Balance at 1 July 2014	306,363	(133,595)	(86,202)	-	86,566
Loss after income tax benefit for the year	-	-	(17,789)	-	(17,789)
Other comprehensive income for the year, net of tax	-	6,959	-	-	6,959
Total comprehensive income for the year	-	6,959	(17,789)	-	(10,830)
Transactions with owners in their capacity as owners:					
Share-based payments (note 23)	-	3,705	-	-	3,705
Balance at 30 June 2015	306,363	(122,931)	(103,991)	-	79,441

	Share premium account A$'000	Other reserves A$'000	Accumulated losses A$'000	Non-controlling interest A$'000	Total equity A$'000
Balance at 1 July 2015	306,363	(122,931)	(103,991)	-	79,441
Loss after income tax expense for the year	-	-	(177)	(20)	(197)
Other comprehensive income for the year, net of tax	-	(3,229)	-	-	(3,229)
Total comprehensive income for the year	-	(3,229)	(177)	(20)	(3,969)
Transactions with owners in their capacity as owners:					
Share-based payments (note 23)	-	397	-	-	397
Balance at 30 June 2016	306,363	(125,763)	(104,168)	(20)	76,412

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

	Note	2016 A$'000	2015 A$'000
Cash flows from operating activities			
Loss before income tax (expense)/benefit for the year		167	(21,464)
Adjustments for:			
Depreciation and amortisation		4,383	3,434
Net loss on disposal of property, plant and equipment		30	71
Share of loss - joint ventures		104	116
Share-based payments		-	3,705
Interest income		(125)	(195)
Interest expense		97	58
		4,656	(14,275)
Change in operating assets and liabilities:			
Decrease/(increase) in trade and other receivables		14,167	(19,508)
Increase in inventories		(17,593)	(5,077)
Decrease/(increase) in other operating assets		(3,153)	11,760
Increase/(decrease) in trade and other payables		155	(1,728)
Increase/(decrease) in other provisions		486	(5,407)
Increase in deferred revenue		530	(4,469)
		43	(38,326)
Interest received		125	195
Interest paid		(97)	(58)
Income taxes refunded/(paid)		832	(49)
Net cash from/(used in) operating activities		108	(38,616)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	33	(5,300)	-
Payments for new joint venture capital invested		-	(104)
Payments for property, plant and equipment	14	(782)	(1,033)
Payments for intangibles	15	(3,248)	(3,404)
Proceeds from disposal of property, plant and equipment		153	51
Proceeds from disposal of intangibles		8	-
Proceeds from release of security deposits		(120)	-
Net cash used in investing activities		(9,289)	(4,112)
Cash flows from financing activities			
Proceeds from borrowings		9,089	2,467
Repayment of borrowings		(3,775)	(2,759)
Repayments of leases		(91)	(330)
Net cash generated from/(used in) financing activities		5,223	(622)
Net decrease in cash and cash equivalents		(3,958)	(43,350)
Cash and cash equivalents at the beginning of the financial year		39,853	77,344
Effects of exchange rate changes on cash		(1,890)	5,859
Cash and cash equivalents at the end of the financial year	10	34,005	39,853

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

MySale Group Plc is a group consisting of MySale Group Plc (the 'company' or 'parent entity') and its subsidiaries (the 'group'). The financial statements of the group, in line with the location of the majority of the group's operations and customers, are presented in Australian dollars and generally rounded to the nearest thousand.

The principal business of the group is the operating of online shopping outlets for consumer goods like ladies, men and children's fashion clothing, accessories, beauty and homeware items.

MySale Group Plc is a public company listed on the AIM (Alternate Investment Market), a sub-market of the London Stock Exchange. The company is incorporated and registered under the Companies (Jersey) Law 1991. The company is domiciled in Australia.

The registered office of the company is Ogier House, The Esplanade, St. Helier, JE4 9WG, Jersey and principal place of business is at Unit 5, 111 Old Pittwater Road, Brookvale, NSW 2100, Australia.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 September 2016. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

These financial statements are prepared in accordance with International Finance Reporting Standards ('IFRS' or 'IFRSs') as adopted for use in the European Union (the 'EU') and IFRS Interpretations Committee interpretations (together 'EUIFRS').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for derivative financial instruments at fair value.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

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 International Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the group.

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

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of MySale Group Plc as at 30 June 2016 and the results of all subsidiaries for the year then ended.

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.

Note 2. Significant accounting policies (continued)

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

Where the 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.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, balance sheet 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.

Operating segments

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

Foreign currency translation

Foreign currency transactions

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

Foreign operations

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

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

Revenue recognition

Revenue is measured at the fair value of the consideration received, and represents amounts receivable for goods supplied, stated net of trade discounts, returns and value of gift vouchers used. Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the group; and when specific criteria have been met for each of the group’s activities, as described below. The group bases its estimate of return on historical results and provisions are made for goods expected to be returned.

Sale of goods

The group operates an online retail and wholesale business selling men's, ladies and children's apparel, accessories, beauty and homeware items. Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Risks and rewards are considered passed to the buyer when the goods have been delivered to the customer and it is reasonably assured the customer has accepted the goods. Sales represent product shipped plus postage, less actual and estimated future returns and slotting fees, rebates and other trade discounts accounted for as reductions of revenue. Online sales are usually by credit card or online payment.

It is the group's policy to sell its products to the customer with a right of return within 14 days. Accumulated experience is used to estimate and provide for such returns at the time of sale.

Other revenue

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

Note 2. Significant accounting policies (continued)

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

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

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

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

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

MySale Group Plc (the 'head entity') and its wholly-owned Australian subsidiaries plus Apac Sale Group Pte. Ltd. have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

Current and non-current classification
Assets and liabilities are presented in the balance sheet based on current and non-current classification.

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

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

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

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

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Note 2. Significant accounting policies (continued)

Inventories
Goods for resale are stated at the lower of cost and net realisable value on a 'weighted average cost' basis. Cost comprises purchase, delivery and direct labour costs, net of rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

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

A provision is made to write down any slow-moving or obsolete inventory to net realisable value, based on management assessment of the expected future sales of that inventory, the condition of the inventory and the seasonality of the inventory.

Derivative financial instruments
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Cash flow hedges
Cash flow hedges are used to cover the group's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income through the cash flow hedges reserve in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

Cash flow hedges are tested for effectiveness on a regular basis both retrospectively and prospectively to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, the amounts recognised in equity are transferred to profit or loss.

If the hedging instrument is sold, terminated, expires, exercised without replacement or rollover, or if the hedge becomes ineffective and is no longer a designated hedge, the amounts previously recognised in equity remain in equity until the forecast transaction occurs.

Joint ventures
A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Income/(losses) earned from joint ventures increase/(reduce) the carrying amount of the investment. When the group’s share of losses in a joint venture equals to or exceeds its interest in the joint venture, including any other unsecured non-current receivables, the group does not recognise further losses, unless it has obligations to make or has made payments on behalf of the joint venture.

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

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset 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 repair and maintenance expenses are recognised in profit or loss when incurred.

Note 2. Significant accounting policies (continued)

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

Leasehold improvements	5-7 years
Plant and equipment	3-7 years
Fixtures and fittings	5-10 years
Motor vehicles	4-5 years

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

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible assets

Externally acquired intangible assets are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Customer relationships

Customer relationships acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of three years.

Note 2. Significant accounting policies (continued)

ERP system and software
Acquired enterprise resource planning ('ERP') systems and software costs are initially capitalised at cost which includes the purchase price, net of any discounts and rebates, and other directly attributable cost of preparing the asset for its intended use. Direct expenditure including employee costs, which enhances or extends the performance of these systems beyond its specifications and which can be reliably measured, is added to the original costs incurred. These costs are amortised on a straight-line basis over the period of their expected benefit, being their finite useful lives of between three and five years.

Costs associated with maintenance are recognised as an expense in profit or loss when incurred.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

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

Deferred revenue
Deferred revenue relates to cash received in advance from customers where the goods have not been delivered as at the reporting date.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

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

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries and other employee benefits expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
Employee benefits not expected to be settled within 12 months of the reporting date are 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, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 2. Significant accounting policies (continued)

Long-term employee incentive plan
The group operates an employee incentive plan to reward and retain key employees. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Share-based payments
Equity-settled share-based compensation benefits are provided to employees. There are no cash-settled share-based compensation benefits.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Note 2. Significant accounting policies (continued)

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

Business combinations

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

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

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

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

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

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

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of MySale Group Plc, 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.

Note 2. Significant accounting policies (continued)

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

Receivables and payables are stated inclusive of the amount of VAT/GST receivable or payable. The net amount of VAT/GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the balance sheet.

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

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

Rounding of amounts
Amounts in this report have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted
International Financial Reporting Standards ('IFRS') 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 2016. The group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant and material to the group, are set out below:

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

Note 2. Significant accounting policies (continued)

IFRS 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's balance sheet as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The group will adopt this standard from 1 January 2018 but the impact of its adoption is yet to be assessed by the group.

IFRS 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces IAS 17 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the balance sheet, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under IFRS 16 will be higher when compared to lease expenses under IAS 17. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under IFRS 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The group will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the group.

Note 3. Critical accounting judgements, estimates and assumptions

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

Provision for obsolete and slow moving inventories
The provision for obsolete and slow moving inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

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.

Goodwill
The group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. No impairment charge was required in 2016 (2015: A$nil).

Impairment of non-financial assets
The group assesses impairment of non-financial assets at 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.

Income tax
The group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The group recognises liabilities for anticipated tax audit issues based on the group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 4. Operating segments

Identification of reportable operating segments
The group's operating segments are determined based on the internal reports that are reviewed and used by the Board of Directors (being the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews revenue and gross profit by reportable segments, being geographical regions. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in these financial statements.

The group’s operates separate websites in each country that it sells goods in. Revenue from external customers is attributed to each country based on the activity on that countries website. Similar types of goods are sold in all segments. The group's operations are unaffected by seasonality.

Intersegment transactions
Intersegment transactions were made at market rates and are eliminated on consolidation.

Segment assets and liabilities
Assets and liabilities are managed on a group basis. The CODM does not regularly review any asset or liability information by segment and, accordingly there is no separate segment information. Refer to the balance sheet for group assets and liabilities.

Major customers
During the year ended 30 June 2016 there were no major customers (2015: none). A customer is considered major if its revenues are 10% or more of the group's revenue.

Note 4. Operating segments (continued)

Operating segment information

- 2016	Australia and New Zealand A$'000	South-East Asia A$'000	Rest of the world A$'000	Total A$'000
Revenue				
Sales to external customers	210,710	31,590	9,989	252,289
Total revenue	210,710	31,590	9,989	252,289
Gross profit	57,060	7,546	2,050	66,656
Other operating gains, net				2,173
Selling and distribution expenses				(37,460)
Administration expenses				(31,126)
Finance income				125
Finance costs				(97)
Share of loss of joint venture				(104)
Profit before income tax expense				167
Income tax expense				(364)
Loss after income tax expense				(197)

- 2015	Australia and New Zealand A$'000	South-East Asia A$'000	Rest of the World A$'000	Total A$'000
Revenue				
Sales to external customers	205,340	26,333	4,180	235,853
Total revenue	205,340	26,333	4,180	235,853
Gross profit	50,879	3,472	881	55,232
Other operating gains, net				204
Selling and distribution expenses				(47,952)
Administration expenses				(28,969)
Finance income				195
Finance costs				(58)
Share of loss of joint venture				(116)
Loss before income tax benefit				(21,464)
Income tax benefit				3,675
Loss after income tax benefit				(17,789)

Note 5. Other operating gains/(loss), net

	2016 A$'000	2015 A$'000
Net foreign exchange gain/(loss)	2,177	(205)
Net gain on disposal of property, plant and equipment	19	-
Other (expense)/income	(23)	409
Other operating gains, net	2,173	204

Note 6. EBITDA reconciliation (earnings before interest, taxation, depreciation and amortisation)

	2016 A$'000	2015 A$'000
EBITDA reconciliation		
Profit/(Loss) before income tax	167	(21,464)
Add: Share of loss of joint venture	104	116
Less: Interest income	(125)	(195)
Add: Interest expense	97	58
Add: Depreciation and amortisation	4,383	3,434
EBITDA	4,626	(18,051)

Underlying EBITDA represents EBITDA adjusted for significant, unusual and other one-off items.

	2016 A$'000	2015 A$'000
Underlying EBITDA reconciliation		
EBITDA	4,626	(18,051)
Share-based payments expenses	397	335
Reorganisation and discontinued operations	265	3,493
One off costs including IPO costs, acquisition expenses, one-off expenses	1,997	2,860
Loss on revaluation of long term incentive plan	-	519
Unrealised foreign exchange (gain)/loss	(1,819)	1,336
Underlying EBITDA	5,466	(9,508)

Note 7. Expenses

	2016 A$'000	2015 A$'000
Profit/(loss) before income tax includes the following specific expenses:		
Sales, distribution and administration expenses:		
Staff costs (note 8)	29,716	30,436
Marketing expenses	16,714	27,001
Occupancy costs	5,617	5,326
Merchant and other professional fees	5,936	5,534
Depreciation and amortisation	4,383	3,434
Other administration costs	6,220	5,190
Total sales, distribution and administration expenses	68,586	76,921
Finance costs		
Interest and finance charges paid/payable	97	58
Occupancy costs include:		
Minimum operating lease payments	4,372	3,420
Cost of inventories recognised as an expense in 'cost of sales' in profit or loss	149,297	139,676

Note 8. Staff costs

	2016 A$'000	2015 A$'000
Aggregate remuneration:		
Wages and salaries	24,463	24,399
Social security costs	2,095	1,803
Long term employee incentive plan	397	335
Other staff costs and benefits	2,761	3,899
Total staff costs	29,716	30,436

	2016	2015
The average monthly number of employees (including executive directors and those on a part-time basis) was:		
Sales and distribution	390	387
Administration	193	172
	583	559

Details of directors' remuneration and interests are provided in the audited section of the Directors' remuneration report and should be regarded as part of these financial statements.

Note 9. Income tax expense/(benefit)

	2016 A$'000	2015 A$'000
Income tax expense/(benefit)		
Current tax	759	1,194
Deferred tax - origination and reversal of temporary differences	(413)	(5,013)
Adjustment recognised for prior periods	18	144
Aggregate income tax expense/(benefit)	364	(3,675)
Deferred tax included in income tax expense/(benefit) comprises:		
Decrease/(increase) in deferred tax assets (note 16)	(413)	(5,013)
Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate		
Profit/(loss) before income tax (expense)/benefit	167	(21,464)
Tax at the statutory tax rate of 30%	50	(6,439)
Effect of overseas tax rates	-	(412)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	218	704
Tax-exempt income	(26)	-
Tax revaluation upon group restructure	-	2,280
Current year tax losses not recognised	58	48
Adjustment recognised for prior years	64	144
Income tax expense/(benefit)	364	(3,675)

The tax rates of the main jurisdictions are Australia 30% (2015: 30%), Singapore 17% (2015: 17%), New Zealand 28% (2015: 28%), United Kingdom 20% (2015: 20%) and United States 42.8% (2015: 42.8%).

Note 10. Current assets - cash and cash equivalents

	2016 A$'000	2015 A$'000
Cash at bank	28,805	39,853
Bank deposits at call	5,200	-
	34,005	39,853

Note 11. Current assets - trade and other receivables

	2016 A$'000	2015 A$'000
Trade receivables	9,058	23,667
Less: Provision for impairment of receivables	-	(37)
	9,058	23,630

Trade receivables include uncleared cash receipts due from online customers which amounted to A$2,473,000 (2015: A$1,529,000).

Impairment of receivables
The group has recognised a loss of A$nil (2015: A$37,000) in profit or loss in respect of impairment of receivables for the year ended 30 June 2016.

The ageing of the impaired receivables provided for above are as follows:

	2016 A$'000	2015 A$'000
3 to 6 months overdue	-	37

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

	2016 A$'000	2015 A$'000
Opening balance	37	-
Additional provisions recognised	-	37
Unused amounts reversed	(37)	-
Closing balance	-	37

Past due but not impaired
Customers with balances past due but without provision for impairment of receivables amount to A$580,000 as at 30 June 2016 (A$203,000 as at 30 June 2015).

The ageing of the past due but not impaired receivables are as follows:

	2016 A$'000	2015 A$'000
3 to 6 months overdue	580	203

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

Note 12. Current assets - inventories

	2016 A$'000	2015 A$'000
Goods for resale	35,395	16,252
Obsolete and slow moving inventory provision	(456)	(343)
	34,939	15,909
Stock in transit	534	1,971
	35,473	17,880

Write-downs of inventories to net realisable value recognised as an expense during the year ended 30 June 2016 amounted to A$789,000 (2015: A$904,000). This expense has been included in 'cost of sales' in profit or loss.

Note 13. Current assets - other

	2016 A$'000	2015 A$'000
Prepayments	984	432
Prepaid inventory	6,271	3,948
Other deposits	435	316
Other current assets	283	40
	7,973	4,736

Prepaid inventory relates to the costs of goods for resale that have been paid for by the group but not delivered to its distribution centres for further dispatch to the customers who placed the orders as at the reporting date. The corresponding cash received in advance from customers are accounted for within deferred revenue category in the balance sheet which includes the total amount of cash received for the goods not delivered to customers at the reporting date.

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

	2016 A$'000	2015 A$'000
Leasehold improvements - at cost	993	942
Less: Accumulated depreciation	(784)	(563)
	209	379
Plant and equipment - at cost	4,535	4,640
Less: Accumulated depreciation	(3,068)	(2,582)
	1,467	2,058
Fixtures and fittings - at cost	1,025	836
Less: Accumulated depreciation	(528)	(456)
	497	380
Motor vehicles - at cost	391	538
Less: Accumulated depreciation	(338)	(332)
	53	206
	2,226	3,023

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

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

	Leasehold improvements A$'000	Plant and equipment A$'000	Fixtures and fittings A$'000	Motor vehicles A$'000	Total A$'000
Balance at 1 July 2014	453	2,080	506	180	3,219
Additions	119	788	32	94	1,033
Disposals	-	(100)	(11)	-	(111)
Exchange differences	20	144	(13)	(1)	150
Depreciation expense	(213)	(854)	(134)	(67)	(1,268)
Balance at 30 June 2015	379	2,058	380	206	3,023
Additions	71	427	284	-	782
Disposals	(4)	(74)	(3)	(102)	(183)
Exchange differences	(4)	(30)	(11)	(5)	(50)
Depreciation expense	(233)	(914)	(153)	(46)	(1,346)
Balance at 30 June 2016	209	1,467	497	53	2,226

Assets pledged as security
Refer to note 20 for property, plant and equipment pledged as security.

Property, plant and equipment secured under finance leases
Refer to note 31 for further information on property, plant and equipment secured under finance leases.

Depreciation expense is included in the 'administration expenses' in profit or loss.

Note 15. Non-current assets - intangibles

	2016 A$'000	2015 A$'000
Goodwill - at cost	21,504	16,849
Customer relationships - at cost	3,512	2,294
Less: Accumulated amortisation	(1,536)	(765)
	1,976	1,529
Software - at cost	6,986	4,595
Less: Accumulated amortisation	(3,070)	(1,683)
	3,916	2,912
ERP system	3,923	3,084
Less: Accumulated amortisation	(1,554)	(857)
	2,369	2,227
	29,765	23,517

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

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

	Goodwill A$'000	Customer relationships A$'000	Software A$'000	ERP system A$'000	Total A$'000
Balance at 1 July 2014	16,849	2,019	2,110	1,461	22,439
Additions	-	-	1,761	1,265	3,026
Disposals	-	-	-	(10)	(10)
Exchange differences	-	217	11	-	228
Amortisation expense	-	(707)	(970)	(489)	(2,166)
Balance at 30 June 2015	16,849	1,529	2,912	2,227	23,517
Additions	-	-	2,408	840	3,248
Additions through business combinations (note 33)	4,655	1,495	-	-	6,150
Disposals	-	-	(8)	-	(8)
Exchange differences	-	(94)	(11)	-	(105)
Amortisation expense	-	(954)	(1,385)	(698)	(3,037)
Balance at 30 June 2016	21,504	1,976	3,916	2,369	29,765

Amortisation expense is included in 'administration expenses' in profit or loss.

Goodwill is allocated to the group's cash-generating units ('CGUs') identified according to business model as follows:

	2016 A$'000	2015 A$'000
Online Flash	17,144	16,849
Online Retail	4,360	-
	21,504	16,849

The recoverable amounts of the CGUs were determined based on value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a five year period. Cash flows beyond the five year period were extrapolated using the estimated growth rates stated below:

Management determined budgeted gross margin based on expectations of market developments. The growth rates used were conservative based on industry forecasts. The discount rates used were pre-tax and reflected specific risks relating to the CGUs.

Online Flash

Key assumptions used for value-in-use calculations:

	2016 %	2015 %
Budgeted gross margin	28.1%	28.0%
Five year compound growth rate	12.0%	7.0%
Long term growth rate	2.0%	2.0%
Pre-tax discount rate	9.0%	9.0%

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

Based on the assessment, no impairment charge is required. Management have performed a number of sensitivity tests on the above rates and note that there is no impairment indicators arising from this analysis. The recoverable amount exceeded the carrying amount by A$31,734,000.

Online Retail

Key assumptions used in value-in-use calculation

	2016 %
Budgeted gross margin	22.7%
Five year compound growth rate	50.0%
Long term growth rate	2.0%
Pre-tax discount rate	9.0%

Based on the assessment, no impairment charge is required. Management have performed a number of sensitivity tests on the above rates and note that there is no impairment indicators arising from this analysis. The recoverable amount exceeded the carrying amount by A$4,076,000.

Note 16. Non-current assets - deferred tax

	2016 A$'000	2015 A$'000
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	9,324	8,863
Accrued expenses	701	310
Provisions	847	807
Sundry	269	1,592
Property, plant and equipment	(253)	(946)
Intangibles	(593)	(306)
Deferred tax asset	10,295	10,320
Movements:		
Opening balance	10,320	5,396
Credited/(charged) to profit or loss (note 9)	413	5,013
Additions through business combinations (note 33)	(360)	-
Exchange gain/(loss)	(78)	(89)
Closing balance	10,295	10,320

Deferred income tax assets are recognised for tax losses, non-deductible accruals and provisions and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable.

Note 17. Current liabilities - trade and other payables

	2016 A$'000	2015 A$'000
Trade payables	22,464	23,838
Other payables and accruals	6,168	4,730
Payable to other related party	50	-
Sales tax payable	866	672
	29,548	29,240

Refer to note 26 for further information on financial instruments.

Note 18. Current liabilities - borrowings

	2016 A$'000	2015 A$'000
Bank loans	5,200	-
Bank loans under interchangeable facilities	1,212	1,098
Finance lease liability	64	91
	6,476	1,189

Refer to note 20 for further information on assets pledged as security and financing arrangements.

Refer to note 26 for further information on financial instruments.

Note 19. Current liabilities - provisions

	2016 A$'000	2015 A$'000
Employee benefits provision	770	823
Lease make good provision	182	185
Gift voucher provision	699	710
Sales returns provision	512	397
	2,163	2,115

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

Gift voucher provision
The provision represents the estimated costs to honour gift vouchers that are in circulation and not expired.

Sales return provision
The provision represents the costs for goods expected to be returned by customers.

Note 19. Current liabilities - provisions (continued)

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

- 2016	Lease make good provision A$'000	Gift vouchers provision A$'000	Sales returns provision A$'000
Carrying amount at the start of the year	185	710	397
Additional provisions recognised	-	699	512
Amounts used	-	(710)	(397)
Foreign exchange differences	(3)	-	-
Carrying amount at the end of the year	182	699	512

Note 20. Non-current liabilities - borrowings

	2016 A$'000	2015 A$'000
Finance lease liability	-	64

Refer to note 26 for further information on financial instruments.

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	2016 A$'000	2015 A$'000
Bank loans	5,200	-
Bank loans under interchangeable facilities	1,212	1,098
Finance lease liability	64	155
	6,476	1,253

The group has a A$12,233,000 (2015: A$7,174,000) borrowing facility with Australia and New Zealand Banking Group Limited ('ANZ') which is secured by a Corporate Guarantee and Indemnity. The group is required to comply with the following covenants in relation to this facility:

● EBITDA and sales must not be less then amounts agreed with ANZ, being 90% of budgeted EBITDA and sales on a half-yearly basis. The group is in compliance with the covenant;

● Current ratio being the ratio of total current assets over total current liabilities must exceed 1.5:1 at all times. The group is in compliance with the covenant and its strategy is to maintain the current ratio above the 1.5:1 requirement; and

● Distributions to shareholders must not be made without the written consent of ANZ. The group is in compliance with the covenant as of the reporting date and at the date these financial statements were authorised for issue.

The group has a GBP £3,000,000 (2015: £3,000,000) borrowing facility with Hong Kong and Shanghai Banking Corporation Plc ('HSBC') which is secured by a Corporate Guarantee. Refer to updated facility details outlines in Note 38 Event after the reporting period.

Note 20. Non-current liabilities - borrowings (continued)

Assets pledged as security
All bank borrowings of the group are secured by a Corporate Guarantee and Indemnity. Average interest rate incurred on these bank borrowings was 2.0% (2015: 2.1%). The borrowings are expected to be repaid within 90 days.

The lease liabilities are effectively secured as the rights to the leased assets, recognised in the balance sheet, revert to the lessor in the event of default.

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	2016 A$'000	2015 A$'000
Cash and cash equivalents	5,200	-

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	2016 A$'000	2015 A$'000
Total facilities		
Bank loans and overdrafts	9,970	5,914
Bank guarantees	67	63
Letters of credit	1,805	2,053
Bank loans under interchangeable facilities	6,457	5,930
	18,299	13,960
Used at the reporting date		
Bank loans and overdrafts	5,200	-
Bank guarantees	21	31
Letters of credit	-	-
Bank loans under interchangeable facilities	2,229	4,803
	7,450	4,834
Unused at the reporting date		
Bank loans and overdrafts	4,770	5,914
Bank guarantees	46	32
Letters of credit	1,805	2,053
Bank loans under interchangeable facilities	4,228	1,127
	10,849	9,126

Note 21. Non-current liabilities - provisions

	2016 A$'000	2015 A$'000
Employee benefits provision	368	328

Long term incentive plan
Refer to note 37 for details on the long term incentive plan.

Note 22. Equity - share capital

	2016 Shares	2015 Shares	2016 A$'000	2015 A$'000
Ordinary shares £nil each - issued and fully paid	151,331,652	150,647,610	-	-

Authorised share capital
The company is a no par value company and is authorised to issue an unlimited number of ordinary shares of £nil value each under its memorandum of association.

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held.

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

Capital risk management
The group's objectives when managing capital is to safeguard the group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. It is the group's strategy to maintain borrowing base ratio well below 65% requirement in order to comply with the borrowing facility covenants. Refer to note 20.

Capital is regarded as total equity, as recognised in the balance sheet, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

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

Note 23. Equity - other reserves

	2016 A$'000	2015 A$'000
Foreign currency translation reserve	3,938	6,099
Hedging reserve - cash flow hedges	(1,047)	21
Share-based payments reserve	4,102	3,705
Capital reorganisation reserve	(132,756)	(132,756)
	(125,763)	(122,931)

Foreign currency translation reserve
The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars.

Hedging reserve - cash flow hedges
The reserve is used to recognise the effective portion of the gain or loss of cash flow hedge instruments that is determined to be an effective hedge.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Capital reorganisation reserve
The reserve is used to recognise the difference between the purchase price of APAC Sale Group Pte. Ltd. and the net assets acquired following a group reorganisation in 2014.

Note 23. Equity - other reserves (continued)

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

	Foreign currency A$'000	Hedging A$'000	Share-based payments A$'000	Capital reorganisation A$'000	Total A$'000
Balance at 1 July 2014	(120)	(719)	-	(132,756)	(133,595)
Foreign currency translation reserve	6,219	-	-	-	6,219
Cash flow hedge	-	740	-	-	740
Share-based payments	-	-	3,705	-	3,705
Balance at 30 June 2015	6,099	21	3,705	(132,756)	(122,931)
Foreign currency translation reserve	(2,161)	-	-	-	(2,161)
Cash flow hedge	-	(1,068)	-	-	(1,068)
Share-based payments	-	-	397	-	397
Balance at 30 June 2016	3,938	(1,047)	4,102	(132,756)	(125,763)

Note 24. Equity - non-controlling interest

	2016 A$'000	2015 A$'000
Accumulated losses	(20)	-

The non-controlling interest has a 40% equity holding in Invite to Buy.

Note 25. Equity - dividends

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

Note 26. Financial instruments

Financial risk management objectives
The group's activities expose it to market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the group's financial performance. The group uses financial instruments such as currency forwards to hedge certain financial risk exposures.

The Board of Directors (the 'Board') is responsible for setting the objectives and underlying principles of financial risk management for the group.

Financial risk management is carried out by the executive directors and the executive management team in accordance with the policies set by the Board. They identify, evaluate and hedge financial risks in close co-operation with the group's operating units. Regular reports are circulated and reviewed by executive directors.

Market risk

Foreign currency risk
The company is incorporated in Jersey and the group operates from Australia with operations in New Zealand, USA and Asia (including Malaysia, Thailand and Singapore). Entities in the group regularly transact in currencies other than their respective functional currencies ('foreign currencies'). The group purchases products in these countries and other European Union countries.

Note 26. Financial instruments (continued)

Currency risk arises within entities in the group when transactions are denominated in foreign currencies. To manage the currency risk, the executive management team manages the overall currency exposure mainly by entering into currency forwards with banks.

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

	Assets		Liabilities	
	2016 A$'000	2015 A$'000	2016 A$'000	2015 A$'000
US dollars	3,052	2,556	2,399	3,691
Euros	5,940	6,111	2,780	2,499
Pound sterling	15,942	34,903	1,188	3,791
New Zealand dollars	4,842	3,849	800	605
Singapore dollars	4,585	2,343	6	103
Malaysian ringgit	1,958	1,280	17	23
Thai baht	-	417	-	2
Chinese Yuan	586	-	-	-
Others	78	-	95	7
	36,983	51,459	7,285	10,721

The group had net assets denominated in foreign currencies of A$29,698,000 as at 30 June 2016 (2015: A$40,738,000). Based on this exposure, had the Australian dollar weakened by 10% / strengthened by 10% (2015: weakened by 10% / strengthened by 10%) against these foreign currencies with all other variables held constant, the group's loss before tax for the year would have been A$2,969,000 lower / higher (2015: A$4,073,000 lower / higher). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rate at each reporting date. The actual foreign exchange profit for the year ended 30 June 2016 was A$2,177,000 (2015: loss of A$205,000).

Price risk
The group is not exposed to any significant price risk.

Cash flow and fair value interest rate risk
Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The group is not exposed to any significant cash flow interest rate risks arising mainly from interest bearing deposits.

Credit risk
Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the group. The major classes of financial assets of the group are bank deposits. For bank deposits, the group adopts the policy of dealing only with high credit quality financial institutions and major banks. As the principal business of the group is online cash sale, trade receivables from wholesale business are relatively immaterial and the group adopts the policy of dealing with customers of appropriate credit history.

The group's maximum exposures to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the balance sheet.

Concentration of credit risk
There are no significant concentrations of credit risk within the group. The credit risk on liquid funds is limited as the counterparties are banks with high credit ratings.

Credit risk is managed by limiting the amount of credit exposure to any single counter-party for cash deposits.

Note 26. Financial instruments (continued)

Liquidity risk

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

Unused borrowing facilities at the reporting date:

	2016 A$'000	2015 A$'000
Bank loans and overdrafts	4,770	5,914
Bank guarantees	46	32
Letters of credit	1,805	2,053
Bank loans under interchangeable facilities	4,228	1,127
	10,849	9,126

Remaining contractual maturities

Trade payables and other financial liabilities mainly arise from the financing of assets used in the group's ongoing operations such as plant and equipment and investments in working capital. These assets are considered in the group's overall liquidity risk.

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

- 2016	Weighted average interest rate %	1 year or less A$'000	Between 1 and 5 years A$'000	Over 5 years A$'000	Remaining contractual maturities A$'000
Non-derivatives					
Non-interest bearing					
Trade and other payables	-	28,632	-	-	28,632
Sales tax payable	-	866	-	-	866
Payable to related party	-	50	-	-	50
Interest-bearing - variable					
Bank loans	2.00%	6,412	-	-	6,412
Lease liability	8.97%	65	-	-	65
Total non-derivatives		36,025	-	-	36,025
Derivatives					
Forward foreign exchange contracts net settled	-	1,047	-	-	1,047
Total derivatives		1,047	-	-	1,047

Note 26. Financial instruments (continued)

- 2015	Weighted average interest rate %	1 year or less A$'000	Between 1 and 5 years A$'000	Over 5 years A$'000	Remaining contractual maturities A$'000
Non-derivatives					
Non-interest bearing					
Trade and other payables	-	28,568	-	-	28,568
Sales tax payable	-	672	-	-	672
Interest-bearing - variable					
Bank loans	2.11%	1,098	-	-	1,098
Lease liability	8.00%	94	72	-	166
Total non-derivatives		30,432	72	-	30,504

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

Note 27. Fair value measurement

Fair value hierarchy
The following tables detail the group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

- 2016	Level 1 A$'000	Level 2 A$'000	Level 3 A$'000	Total A$'000
Liabilities				
Derivative financial instruments	-	1,047	-	1,047
Total liabilities	-	1,047	-	1,047

- 2015	Level 1 A$'000	Level 2 A$'000	Level 3 A$'000	Total A$'000
Assets				
Derivative financial instruments	-	22	-	22
Total assets	-	22	-	22

There were no transfers between levels during the financial year.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments. Also, there is no material difference between the fair value of cash and cash equivalents and the carrying amounts.

Valuation techniques for fair value measurements categorised within level 2
The fair value of the derivative financial instruments, being forward exchange contracts, are determined using quoted forward exchange rates at the reporting date. These instruments are included in Level 2.

Note 28. Key management personnel disclosures

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

	2016 A$'000	2015 A$'000
Short-term employee benefits	1,734	1,574
Post-employment benefits	125	121
	1,859	1,695

Key management includes directors (executives and non-executives) and key heads of departments.

During the financial year ended 30 June 2016 A$nil (2015: 22,636) performance rights were granted to members of key management personnel under share-based payments plans operated by the group as disclosed in note 37.

Note 29. Remuneration of auditors

Services provided by the company's auditors and network firms
During the year the company (including its overseas subsidiaries) obtained the following services from the company's auditors at costs as detailed below:

	2016 A$'000	2015 A$'000
Fees payable to the company's auditor and its associates for the audit of the consolidated financial statements	190	245
Fees payable to the company's auditor and its associates for other services:		
- the audit of the company's subsidiaries	240	273
- review related assurance services	68	159
- taxation services	129	234
- other non-audit services	136	54
	763	965

Note 30. Contingent liabilities

The group issued a bank guarantee through its banker, ANZ Bank Limited ('ANZ'), in respect of lease obligations amounting to A$874,000 (2015: A$874,000). As 30 June 2016, the group had no longer had a bank guarantee through ANZ in respect of a merchant fee agreement deposit (2015: USD$2,100,000).

The group also issued a bank guarantee through its banker ANZ Bank New Zealand Limited, in respect of customs and duties obligations amounting to NZ$150,000 (2015: NZ$100,000) and lease obligations to NZ$22,000 (2015: NZ$34,000).

Note 31. Commitments

	2016 A$'000	2015 A$'000
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	3,494	3,972
One to five years	10,167	3,094
	13,661	7,066
Lease commitments - finance		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	65	94
One to five years	-	72
Total commitment	65	166
Less: Future finance charges	(1)	(11)
Net commitment recognised as liabilities	64	155
Representing:		
Finance lease liability - current (note 18)	64	91
Finance lease liability - non-current (note 20)	-	64
	64	155
Sub-lease receivable - operating		
Committed at the reporting date but not recognised as assets, receivables:		
Within one year	559	742
One to five years	585	1,048
	1,144	1,790

The group leases office space, land and buildings and warehouses from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The group leases certain plant and equipment, and motor vehicles from non-related parties under finance leases. The lease agreements do not have renewal clauses but provide the group with options to purchase the leased assets at nominal values at the end of the lease term.

The carrying amounts of plant and equipment and motor vehicles held under finance leases are A$29,000 (2015: A$102,000) and A$35,000 (2015: A$74,000) respectively at the reporting date.

The company also subleases some of its office and warehouse space to related and non-related parties. The subleases have varying terms and expiry dates.

Note 32. Related party transactions

Parent entity
MySale Group Plc is the parent company of the group.

Subsidiaries
Interests in subsidiaries are set out in note 34.

Joint ventures
Interests in joint ventures are set out in note 35.

Note 32. Related party transactions (continued)

Key management personnel
Disclosures relating to key management personnel are set out in note 28.

Transactions with related parties
The following transactions occurred with related parties:

	2016 A$'000	2015 A$'000
Sale of goods and services:		
Sale of goods to other related party (Arcadia and Sports Direct)	22,521	5,236
Sale of rent and freight services to other related party (recharges of payment)	1,028	1,300
Payment for goods and services:		
Purchase of goods from other related party	685	2,032

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2016 A$'000	2015 A$'000
Current receivables:		
Trade receivables from other related party	1,784	6,674
Current payables:		
Trade payables to other related party	224	1,740

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

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

Note 33. Business combinations

Acquisitions of online businesses from Grays eCommerce Group Limited
On 31 January 2016, the group acquired the trade and assets of three online consumer retail businesses from Grays eCommerce Group Limited in Australia. The assets included a membership database of 6,500,000 members. The purchase price of the assets was A$5,200,000.

Details of the acquisition are as follows:

Fair value of assets acquired

	Fair value A$'000
Customer list	1,200
Deferred tax liability	(360)
Net assets acquired	840
Goodwill	4,360
Acquisition-date fair value of the total consideration transferred	5,200
Representing:	
Cash paid or payable to vendor	5,200

The goodwill is attributable to the synergies expected to be achieved from operating the retail businesses alongside the group's existing online flash businesses. The goodwill recognised will not be deductible for tax purposes.

Acquisition of trade and assets from Thaisale.co.th
On 1 April 2016, the group acquired the trade and assets of the Thaisale.co.th joint venture in Thailand. Thaisale.co.th was previously partly owned by the group via a joint venture. Refer to Note 35 for more details. The assets included a membership database of 652,000 members. The purchase price of the assets was A$590,000.

Details of the acquisition are as follows:

Fair value of assets acquired

	Fair value A$'000
Customer lists	295
Net assets acquired	295
Goodwill	295
Acquisition-date fair value of the total consideration transferred	590
Representing:	
Cash paid or payable to vendor	100
Waiver of debt to Minor Corporation Public Company Limited	490
	590

The goodwill is attributable to the synergies expected to be achieved from integrating the business into the group's existing online flash businesses. The goodwill recognised will not be deductible for tax purposes.

Change in control of joint venture Invite to Buy
On 1 April 2016, there was a change in the control of the joint venture Invite to Buy. Refer to Note 35 for more details.

Note 33. Business combinations (continued)

The goodwill is attributable to the synergies expected to be achieved from integrating the business into the group's existing online flash businesses. The goodwill recognised will not be deductible for tax purposes.

Note 34. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

			Parent		Non-controlling interest	
Name	Principal place of business / Country of incorporation	Principal activities	Ownership interest 2016 %	Ownership interest 2015 %	Ownership interest 2016 %	Ownership interest 2015 %
APAC Sale Group Pte. Ltd.	Singapore	Trading company	100%	100%	-	-
APAC Sale Italy s.r.l	Italy	Trading company	100%	100%	-	-
APAC Sales Group, Inc.	United States of America	Trading company	100%	100%	-	-
APAC UK Procurement Co Limited	United Kingdom	Trading company	100%	100%	-	-
APACSale Limited	United Kingdom	Trading company	100%	100%	-	-
BuyInvite Pty Limited	Australia	Trading company	100%	100%	-	-
Cocosa Lifestyle Limited	United Kingdom	Trading company	100%	100%	-	-
NZ Sale Limited	New Zealand	Trading company	100%	100%	-	-
Ozsale Pty Limited	Australia	Trading company	100%	100%	-	-
Ozsale Sdn. Bhd.	Malaysia	Trading company	100%	100%	-	-
Private Sale Asia Pacific Pte Ltd	Singapore	Trading company	100%	100%	-	-
Simply Sent It Pty Limited	Australia	Trading company	51%	51%	49%	49%
Singsale Pte. Ltd.	Singapore	Trading company	100%	100%	-	-
APAC France SARL	France	Dormant	100%	100%	-	-
Brand Search Pty Limited	Australia	Trading company	100%	100%	-	-
Chic Global Limited	United Kingdom	Trading company	50%	50%	50%	50%
BuyInvite NZ Pty Limited	Australia	Dormant	100%	100%	-	-
Click Frenzy Australia Pty Ltd	Australia	Dormant	100%	100%	-	-
NZ Wine Limited	New Zealand	Dormant	100%	100%	-	-
My Trade Ltd	United Kingdom	Dormant	100%	100%	-	-
MySale Group Limited	Hong Kong	Dormant	100%	100%	-	-
Handelsselskabet	Denmark	Trading company	60%	60%	40%	40%
Branch of Click Frenzy Australia Pty Ltd	Russia	Trading company	100%	100%	-	-

Summarised financial information for subsidiaries that have non-controlling interests, has not been provided as they are not material to the group.

Note 35. Interests in joint ventures

Name	Principal place of business / Country of incorporation	Ownership interest 2016 %	Ownership interest 2015 %
Thaisale.co.th Limited	Thailand	-	49.00%
Invite to Buy (Handelsselskabet)	Denmark	60.00%	60.00%

Thaisale.co.th Limited
Thaisale.co.th was deemed to be a jointly controlled operation of the group as the appointment of its directors and the allocation of voting rights for the key business decisions require the unanimous approval of its venturers. The joint venture was dissolved during the financial year. The original investment was accounted for using the equity method after initially being recognised at cost. The group had not recognised the entire share of its losses of this joint venture because the group's cumulative share of losses exceed its interest in that entity and the group has no obligations in respect of those losses.

On 1 April 2016, the group acquired the membership database of Thaisale.co.th. Refer to note 33.

Invite to Buy
Invite to Buy is deemed to be a jointly controlled operation of the group, as the appointment of its directors and the allocation of voting rights for the key business decisions require the unanimous approval of its venturers. On 1 April 2016, the group took operational control of the joint venture though the integration of the joint venture's business into the group's existing online flash businesses.

The group recognised its share of the entire losses of its Invite to Buy joint venture interest amounting to A$49,000 (2015: A$116,000) for the nine months to 31 March 2016 using the equity method. Thereafter the joint venture operation has been accounted for on a consolidated basis, due to the exercising of operational control. The group's loss on investment upon consolidation at 31 March 2016 amounted to A$55,000.

Note 36. Earnings per share

	2016 A$'000	2015 A$'000
Loss after income tax	(197)	(17,789)
Non-controlling interest	20	-
Loss after income tax attributable to the owners of MySale Group Plc	(177)	(17,789)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	151,046,635	150,647,610
Weighted average number of ordinary shares used in calculating diluted earnings per share	151,046,635	150,647,610

	Cents	Cents
Basic earnings per share	(0.12)	(11.81)
Diluted earnings per share	(0.12)	(11.81)

5,539,326 (2015: 795,541) employee long term incentives have been excluded from the 2016 (2015) diluted earnings calculation as they are anti-dilutive for the year.

Note 37. Share-based payments

The Long Term Incentive Plan (the 'LTIP') previously approved by APAC shareholders in 2012 and which expired at the date of AIM admission on 16 June 2014, was settled in July 2015. A number of employees were offered the opportunity to defer the payment of their cash bonus owing under the LTIP and to take it in the form of a conditional 'right' to free ordinary shares under the Executive Incentive Plan ('EIP'). The award converted the cash due to them into ordinary shares at the Placing Price of GBP2.26 with a maximum A$75,000 enhancement if they defer 100% of the entitlement. Total ordinary shares applicable to the conditional award was 684,042 with a vest date of 16 June 2015 and no performance conditions but was subject to continued employment. As at 16 June 2015, all of the employees who agreed to deferral of their entitlement met the continued employment condition and the share right awards vested. The fair value of the accounting expense in relation to these share right awards were recognised as at 30 June 2015,

The company established two new employee share plans prior to the AIM admission; (1) the Executive Incentive Plan ('EIP') and (2) the Loan Share Plan ('LSP'). In accordance with the terms of each plan, 50% of the award to eligible employees will vest two years and the balance three years after grant date. Vesting is subject to the Remuneration Committee being satisfied that the underlying performance of the group justifies vesting. In determining this, the Remuneration Committee will have regard to revenue and Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA') included in the company's internal forecasts as at the date of allocation. The award granted on 28 May 2014 are governed by the terms of these plans.

During the year, the Board decided to change the vesting conditions for future grants for the EIP and LSP plans beginning with the August 2015 grant. 100% of future awards will now vest three years from grant date and are subject to the achievement of the Underlying EBITDA target set by the board in the year of the grant. The fair value of the accounting expense in relation to the August 2015 grant are recognised over the vesting period.

In July 2015, 3,000,000 options over the ordinary share capital of the company were granted to the Chairman with an exercise price of £0.53. 1,000,000 options will vest when the company's share price reaches £1.50, a further 1,500,000 shall vest when the company's share price reaches £2.26 and a further 500,000 shall vest when the company's share price reaches £2.75. The options expire five years after the grant date. Other than the vesting conditions, all other terms are the same as the EIP. The fair value of the accounting expense in relation to these options are recognised over the vesting period.

Set out below are summaries of share and options granted under the plans for directors and employees:

2016

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
28/05/2014	16/06/2015 *	-	684,042	-	(684,042)	-	-
28/05/2014	16/06/2019 ***	£2.26	111,499	-	-	-	111,499
18/08/2015	18/08/2020 ***	£0.51	-	2,027,806	-	-	2,027,806
18/08/2015	18/08/2020 ***	£0.51	-	400,021	-	-	400,021
27/07/2015	27/07/2020 ***	£0.53	-	3,000,000	-	-	3,000,000
			795,541	5,427,827	(684,042)	-	5,539,326

* EIP - Share rights
** EIP - Options
*** LSP

Note 37. Share-based payments (continued)

2015

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
28/05/2014	16/06/2015 *	-	684,042	-	-	-	684,042
28/05/2014	16/06/2019 **	£2.26	102,210	-	-	(102,210)	-
28/05/2014	16/06/2019 ***	£2.26	461,010	-	-	(349,511)	111,499
22/09/2014	16/06/2019 **	£2.26	-	18,386	-	(18,386)	-
22/09/2014	16/06/2019 ***	£2.26	-	45,642	-	(45,642)	-
			1,247,262	64,028	-	(515,749)	795,541

* EIP - Share rights
** EIP - Options
*** LSP

The weighted average remaining contractual life of the share plan outstanding at the end of the financial year was 4 years (2015: 4 years).

The share-based payment expense for the year was A$397,000 (2015: A$335,000).

Note 38. Events after the reporting period

The group's borrowing facility with Hong Kong and Shanghai Banking Corporation increased to £7,000,000 (previously £3,000,000) in August 2016. The facility is secured by a Corporate Guarantee.

No other matters or circumstances have arisen since 30 June 2016 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

	Note	2016 A$'000	2015 A$'000
Fixed assets			
Tangible assets	3	125	189
Investment in subsidiary	4	161,474	161,077
Deferred tax		383	-
Total fixed assets		161,982	161,266
Current assets			
Debtors	5	5,203	4,304
Cash at bank and in hand	6	12,231	16,084
Total current assets		17,434	20,388
Current liabilities			
Creditors - amounts falling due within one year	7	385	755
Total current liabilities		385	755
Net current assets		17,049	19,633
Total assets less current liabilities		179,031	180,899
Net assets		179,031	180,899
Equity			
Share premium account		306,363	306,363
Other reserves	9	(125,657)	(123,734)
Accumulated losses	10	(1,675)	(1,730)
Total equity		179,031	180,899

Refer to note 8 for share capital details.

The financial statements of MySale Group Plc (company number 115584) were approved by the Board of Directors and authorised for issue on 28 September 2016. They were signed on its behalf by:

Carl Jackson
Director

Andrew Dingle
Director

	Share premium account A$'000	Other reserves A$'000	Accumulated losses A$'000	Total equity A$'000
Balance at 1 July 2014	306,363	(132,743)	(712)	172,908
Loss after income tax benefit for the year	-	-	(1,018)	(1,018)
Other comprehensive income for the year, net of tax	-	5,304	-	5,304
Total comprehensive income for the year	306,363	(127,439)	(1,730)	177,194
Transactions with owners in their capacity as owners:				
Share-based payments	-	3,705	-	3,705
Balance at 30 June 2015	306,363	(123,734)	(1,730)	180,899

	Share premium account A$'000	Other reserves A$'000	Accumulated losses A$'000	Total equity A$'000
Balance at 1 July 2015	306,363	(123,743)	(1,730)	180,899
Profit after income tax benefit for the year	-	-	55	55
Other comprehensive income for the year, net of tax	-	(2,320)	-	(2,320)
Total comprehensive income for the year	306,363	(126,063)	(1,675)	178,634
Transactions with owners in their capacity as owners:				
Share-based payments	-	397	-	397
Balance at 30 June 2016	306,363	(125,657)	(1,675)	179,031

Note 1. General information

MySale Group Plc (the 'company' or 'parent entity') was incorporated on 28 April 2014 and was admitted onto the Alternative Investment Market ('AIM') on 16 June 2014.

The financial statements functional currency is Pounds Sterling. The presentation currency is Australian dollars, the most representable currency of the company's operations and generally rounded to the nearest thousand.

Note 2. Significant accounting policies

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

New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Financial Reporting Council ('FRC') that are mandatory for the current reporting year. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

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

Basis of preparation

These financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework'.

As permitted by FRS 101, the company has taken advantage of all of the disclosure exemptions available to it, including:

a. The requirements of paragraph 45(b) and 46-52 of IFRS 2 Share-based payment;
b. The requirements of IFRS 7 Financial Instruments: Disclosures;
c. The requirements of paragraph 91 to 99 of IFRS 13 Fair value measurement;
d. The requirement in paragraph 38 of IAS 1 Presentation of financial statements to present comparative information in respect of:
    i. paragraph 79(a)(iv) of IAS 1;
    ii. paragraph 73(e) of IAS 16 Property, plant and equipment;
    iii. paragraph 118(e) of IAS 38 Intangible assets.
e. The following paragraphs of IAS 1 Presentation of financial statements:
    i. 10(d) statement of cash flows;
    ii. 10(f) statement of financial position;
    iii. 16 statement of compliance with all IFRS;
    iv. 38A requirement for minimum of two primary statements, including cash flow statements;
    v. 38B-D additional comparative information;
    vi. 40A-D requirement for a third statement of financial position;
    vii. 111 cash flow statement information; and
    viii. 134-136 capital management disclosures.
f. IAS 7 Statement of cash flows
g. IAS 24 Related party disclosures

The company has elected to take the exemption under section 408 of the Companies Act 2006 not to present its own profit and loss account. The company reported a profit for the financial year ended 30 June 2016 of A$55,000 (2015: loss of A$1,018,000).

Historical cost convention
These separate financial statements of the company are designed to include disclosures sufficient to comply with those parts of the UK Companies Act 2006 applicable to companies reporting under UK accounting standards even though the company is incorporated and registered in Jersey. They have been prepared under the historical cost convention and under the going concern assumption. Further details of the Directors' considerations in relation to going concern are included in the Directors' report.

Transition to FRS 101
For all periods up to and including the year ended 30 April 2015, the Company prepared its financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. These financial statements, for the period ended 31 December 2015, are the first the Company has prepared in accordance with FRS 101.

Accordingly, the Company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning on or after 1 January 2015 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the Company has started from an opening balance sheet as at 1 July 2014, the Company's date of transition to FRS 101, with assessments made as to adjustments required for the first-time adoption of FRS 101. In doing so it transpired that no adjustments were required.

Foreign currency translation

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.

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

Income tax
Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax is measured on a non-discounted basis. The taxation liabilities are reduced wholly or in part by the surrender of tax losses by fellow group undertakings for which payment is made.

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

Debtors
Other receivables are recognised at amortised cost, less any provision for impairment.

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

The residual amounts due by the group's undertakings are unsecured, non-interest bearing, have no fixed date of repayment and are repayable on demand.

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

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset 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 repair and maintenance expenses are recognised in profit or loss when incurred.

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

Leasehold improvements	5-7 years
Plant and equipment	3-7 years
Fixtures and fittings	5-10 years

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

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Investments in subsidiaries
Investments in subsidiaries are shown at cost less provision for impairment.

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

Employee benefits

Long term employee incentive plan
The company operates an employee incentive plan to reward and retain key employees. The company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Financial liabilities and equity
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Share capital
Ordinary shares are classified as equity.

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

Rounding of amounts
Amounts in this report have been rounded off to the nearest thousand Australian dollars, or in certain cases, the nearest dollar.

Note 3. Fixed assets - tangible assets

	2016 A$'000	2015 A$'000
Leasehold improvements - at cost	75	86
Less: Accumulated depreciation	(28)	(14)
	47	72
Plant and equipment - at cost	18	20
Less: Accumulated depreciation	(6)	(2)
	12	18
Fixtures and fittings - at cost	106	120
Less: Accumulated depreciation	(40)	(21)
	66	99
	125	189

Note 4. Fixed assets - investment in subsidiary

	2016 A$'000	2015 A$'000
Investment in APAC Sale Group Pte. Ltd. - at cost	106,403	106,403
Investment in Ozsale Pty. Ltd. - at cost	55,071	54,674
	161,474	161,077

A detailed list of subsidiaries is detailed within note 34 to the consolidated financial statements.

Note 5. Current assets - Debtors - amounts falling within one year

	2016 A$'000	2015 A$'000
Other receivables	281	20
Amounts owed by other group undertakings	4,922	4,284
	5,203	4,304

Note 6. Current assets - cash at bank and in hand

	2016 A$'000	2015 A$'000
Cash on bank	12,231	16,084

Note 7. Current liabilities - Creditors - amounts falling due within one year

	2016 A$'000	2015 A$'000
Trade payables	93	118
Accruals	292	637
	385	755

Note 8. Equity - called up share capital

	2016 Shares	2015 Shares	2016 A$'000	2015 A$'000
Ordinary shares £nil each - issued and fully paid	151,331,652	150,647,610	-	-

Authorised share capital
The company is a no par value company and is authorised to issue an unlimited number of ordinary shares of £nil value each under its memorandum of association. The share capital was converted from £1 per share to no par value at a general meeting on 23 May 2014, effective from 28 May 2014.

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held.

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

Note 9. Equity - other reserves

	2016 A$'000	2015 A$'000
Foreign currency reserve	2,997	5,317
Share-based payments reserve	4,102	3,705
Capital reorganisation reserve	(132,756)	(132,756)
	(125,657)	(123,734)

Foreign currency reserve
The reserve is used to recognise exchange differences arising from translation of the financial statements from the functional currency to the presentation currency.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Capital reorganisation reserve
This reserve is used to recognise the excess of purchase price of APAC (refer note 10) over the shareholding acquired of A$132,756,000.

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

	Foreign currency A$'000	Share-based payments A$'000	Capital reorganisation A$'000	Total A$'000
Balance at 1 July 2014	13	-	(132,756)	(132,743)
Foreign currency translation	5,304	-	-	5,304
Share-based payments	-	3,705	-	3,705
Balance at 30 June 2015	5,317	3,705	(132,756)	(123,734)
Foreign currency translation	(2,320)	-	-	(2,320)
Share-based payments	-	397	-	397
Balance at 30 June 2016	2,997	4,102	(132,756)	(125,657)

Note 10. Equity - accumulated losses

	2016 A$'000	2015 A$'000
Accumulated losses at the beginning of the financial year	(1,730)	(712)
Profit/(loss) after income tax benefit for the year	55	(1,018)
Accumulated losses at the end of the financial year	(1,675)	(1,730)

Note 11. Contingent liabilities

The company had no contingent liabilities as at 30 June 2016 and 30 June 2015.

Note 12. Commitments

	2016 A$'000	2015 A$'000
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	426	656
One to five years	997	1,650
	1,423	2,306
Sub-lease receivable - operating		
Committed at the reporting date but not recognised as assets, receivable:		
Within one year	282	456
One to five years	585	804
	867	1,260

The company leases office space from non-related parties under a non-cancellable operating lease agreement. The lease expires within four years. The company also subleases some of its office and warehouse space to a related party.

Note 13. Events after the reporting period

The company’s borrowing facility with Hong Kong and Shanghai Banking Corporation increased to £7,000,000 (previously £3,000,000) in August 2016. The facility is secured by a Corporate Guarantee.

No other matters or circumstances have arisen since 30 June 2016 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

MYSALE GROUP PLC

REGISTERED NUMBER: 115584

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the third Annual General Meeting (**AGM**) of MySale Group plc (**MySale** or the **Company**) will be held at Unit 5, 111 Old Pittwater Road, Brookvale, NSW 2100, Australia on Tuesday 29 November 2016 commencing at 19.30 Australian Eastern Daylight Time (**AEDT**) (08.30 GMT) to consider and, if thought fit, to pass **resolutions 1 to 7 (inclusive) as ordinary resolutions** and **resolutions 8 to 10 (inclusive) as special resolutions**.

RESOLUTIONS

ORDINARY RESOLUTIONS

Financial statements for the year ended 30 June 2016

1. To receive the Company's Annual Report and Accounts for the financial year ended 30 June 2016 together with the Reports of the Directors and Auditor thereon.

Re-appointment of the auditor

2. To re-appoint PricewaterhouseCoopers LLP as auditor of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company, and to authorise the Directors to fix the remuneration of the auditor.

Re-election of Directors

3. To re-elect Iain McDonald as a Director in accordance with Articles 7.2 and 7.9 - 7.12 of the Company's Articles of Association (the **Articles**).
4. To re-elect Andrew Dingle as a Director in accordance with Articles 7.2 and 7.9 - 7.12 of the Articles.
5. To re-elect Carl Jackson as a Director in accordance with Articles 7.2 and 7.9 - 7.12 of the Articles.
6. To re-elect Jamie Jackson as a Director in accordance with Articles 7.2 and 7.9 - 7.12 of the Articles.
7. To re-elect David Mortimer as a Director in accordance with Articles 7.2 and 7.9 - 7.12 of the Articles.

SPECIAL RESOLUTIONS

8. **Dis-application of pre-emption rights - general**

THAT, in substitution for all existing authorities to the extent unused, the Directors be generally and unconditionally empowered, pursuant to and in accordance with Article 2.15 of the Articles, to exercise all powers of the Company to allot Shares (as that term is defined in the Articles) for cash as if Article 2.8 of the Articles did not apply to any such allotment, provided that this power shall be limited to:

a) the allotment of Shares for cash in connection with or pursuant to a rights issue (as defined below) or any other issue in favour of holders of Shares in proportion (as nearly as may be practicable) to the respective holdings of Shares then held by them;

b) the allotment of Shares in connection with any scrip dividend scheme or similar arrangement implemented in accordance with the Articles from time to time in force; and

c) otherwise than pursuant to paragraphs 8(a) and (b) above, the allotment of Shares for cash up to an aggregate amount of 7,600,000 Shares, being approximately 5% of the

Company's issued Shares as at close of business on 28 October 2016, being the latest practicable date before publication of this notice,

provided further that such power shall expire at the conclusion of the Company's Annual General Meeting in 2017 or fifteen months following the passing of this resolution, whichever is the sooner, unless previously revoked, varied or renewed by the Company in general meeting (save that the Company may before such expiry make an offer or agreement which would or might require Shares to be allotted after such expiry and notwithstanding such expiry the Directors may allot Shares in pursuance of such offer or agreement).

For the purposes of the authority in paragraph 8(a) above, "rights issue" means an offer to: (i) holders (other than the Company) on the register on a record date fixed by the Directors of Shares in proportion (as nearly as may be practicable) to their existing holdings; and (ii) other persons so entitled by virtue of the rights attaching to any other equity securities held by them, but subject in both cases to such exclusions, restrictions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory.

9. **Dis-application of pre-emption rights – financing**

THAT, in addition to any authority granted under Resolution 8 above, the Directors be generally and unconditionally empowered, pursuant to and in accordance with Article 2.15 of the Articles, to exercise all powers of the Company to allot Shares for cash as if Article 2.8 of the Articles did not apply to any such allotment, provided that this power shall be:

a) limited to the allotment of Shares for cash up to an aggregate amount of 15,200,000 Shares, being approximately 10% of the Company's issued Shares as at close of business 28 October 2016, being the latest practicable date before publication of this notice; and

b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

provided further that such power shall expire at the conclusion of the Company's Annual General Meeting in 2017 or fifteen months following the passing of this resolution, whichever is the sooner, unless previously revoked, varied or renewed by the Company in general meeting (save that the Company may before such expiry make an offer or agreement which would or might require Shares to be allotted after such expiry and notwithstanding such expiry the Directors may allot Shares in pursuance of such offer or agreement).

10. **Authority to buy back shares**

THAT the Company be and is hereby generally and unconditionally authorised for the purposes of Article 57 of the Companies (Jersey) Law 1991 (as amended) (the **Law**) to make one or more purchases on the AIM market operated by the London Stock Exchange plc of its own Shares on such terms and in such manner as the Directors may from time to time determine, provided that:

a) the maximum aggregate number of Shares hereby authorised to be purchased is 15,200,000, (representing approximately 10% of the total number of Shares in issue as at close of business on 28 October 2016, being the latest practicable date before publication of this notice);

b) the minimum price which may be paid for a Share is £0.01 each;

c) the maximum price which may be paid for a Share is an amount equal to the higher of:

i) 5% above the average of the middle market quotations for such shares taken from the AIM Appendix of The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made; and

ii) the higher of the price of the last independent trade of a Share and the highest current independent bid for a Share as derived from the London Stock Exchange Trading System;

d) such authority shall expire at the conclusion of the Company's Annual General Meeting in 2017 or fifteen months following the passing of this resolution, whichever is the sooner, unless previously revoked, varied or renewed by the Company in general meeting;

e) the Company may make a contract to purchase its own Shares under the authority conferred by this resolution prior to the expiry of such authority, which will or may be executed wholly or partly after the expiry of such authority, and the Company may make a purchase of its own Shares in pursuance of any such contract as if the authority had not expired; and

f) subject to the provisions of the Articles, the Company be and is hereby generally and unconditionally authorised for the purposes of Article 58A of the Law, to hold any Shares repurchased under the authority conferred by this Resolution 10 as treasury shares.

By order of the Board

Prism CoSec Limited
Company Secretary, MySale Group plc

28 October 2016

Notes to the Notice of Annual General Meeting

1	**Record Date** Shareholders registered in the Register of Members of the Company as at 18:00 GMT on 25 November 2016 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting) shall be entitled to attend or vote at the AGM in respect of the shares registered in their name at that time. Changes to entries on the Register of Members after 18:00 GMT on 25 November 2016 will be disregarded in determining the rights of any person to attend or vote at the AGM.
2	**Attendance at the AGM** The Company's third AGM will be held at 19.30 Australian Eastern Daylight Time (08.30 GMT) on 29 November 2016. However, shareholders should note that votes may only be cast in person, by proxy or by corporate representative at the venue of the AGM.
3	**Proxies** A member is entitled to appoint another person as his proxy (who need not be a member of the Company) to exercise all or any of their rights to attend and vote on their behalf at the AGM. A member may appoint more than one proxy in relation to the AGM. When two or more valid but differing appointments of proxy are delivered or received for the same share, the one which is last validly delivered or received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which appointment was last validly delivered or received, none of them shall be treated as valid in respect of that share. Members who wish to appoint more than one proxy in respect of their holding may obtain additional Forms of Proxy by contacting the Company's Registrars, Computershare Investor Services at 0870 707 4040. Lines are open Monday to Friday 9.00am to 5.30pm. Alternatively, members may photocopy the Form of Proxy provided with this document indicating on each copy the name of the proxy appointed and the number of ordinary shares in the Company in respect of which that proxy is appointed. All Forms of Proxy should be returned together in the same envelope. A Form of Proxy is enclosed with this Notice. Completion of the Form of Proxy will not prevent a member from subsequently attending and voting at the AGM in person if they so wish. The Form of Proxy, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be either (i) received by post or (during normal business hours only) by hand at the offices of the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZYUK or (ii) members may submit their proxies electronically at www.investorcentre.co.uk/je using the designation set out in the Form of Proxy, in each case by no later than 19.30 AEDT/08.30 GMT on 25 November 2016, being 48 working hours before the time appointed for the holding of the AGM.
4	**Corporate Representatives** A corporate shareholder may authorise a person to act as its representative at the AGM. Each representative may exercise (on behalf of the corporate shareholder) the same powers as the corporate shareholder could exercise if they were an individual shareholder in the Company.
5	**CREST Proxy Instructions** CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment thereof by following the procedures described in the CREST Manual. CREST Personal Members or other CREST Sponsored Members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a ***CREST Proxy Instruction***) must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instruction, as described in the CREST Manual (available at www.euroclear.com/CREST). The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID number 3RA50) by no later than 19.30 AEDT/08.30 GMT on 25 November 2016. No message received through the CREST network after this time will be accepted. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The CREST Manual is available at www.euroclear.com/CREST. CREST members and, where applicable, their CREST sponsors or voting service provider should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member or Sponsored Member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company will treat as invalid a CREST Proxy Instruction in the circumstances set out in Article 34 of the Companies (Uncertificated Securities) (Jersey) Order 1999, as amended.
6	**Total Voting Rights** Holders of the Company's ordinary shares are entitled to attend and vote at general meetings of the Company. Each ordinary share entitles the holder to one vote on a poll. As at 28 October 2016, being the latest practicable date prior to the publication of this Notice, the Company had 151,331,652 shares in issue. The Company does not hold any shares in treasury. Therefore, the total voting rights in the Company as at 28 October 2016 are 151,331,652.
7	**Voting at the AGM** In order for the voting preferences of all shareholders to be taken into account, and not only those who can physically attend, the Company will conduct a poll vote on all resolutions put to the AGM. As soon as practicable following the meeting, the results of voting at the meeting and the numbers of proxy votes cast for and against each resolution, together with the number of votes actively withheld will be announced to the market via a Primary Information Provider and also placed on the

	Company's website (www.mysalegroup.com). In the case of joint holders of shares, the vote of the senior member who is entitled to receive notice of general meetings in accordance with the Articles whether in person or by proxy shall be accepted to the exclusion of any votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members of the Company.
8	**Display Documents** Copies of the service contracts for all Executive Directors and the letters of appointment for the Non-executive Directors are available for inspection at the registered office of the Company during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this Notice until the conclusion of the AGM and also at the place of the AGM from 19.00 AEDT on the day of the AGM until the conclusion thereof.
9	**Electronic address** Please note that shareholders may **not** use any electronic address provided in this Notice or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.

Explanatory Notes to the Resolutions

Ordinary Resolutions

Resolutions 1 to 7 (inclusive) are being proposed as ordinary resolutions and for each of these resolutions to be passed, more than 50% of the votes cast must be in favour of the resolution.

1 Report and Accounts

The Companies (Jersey) Law 1991 as amended requires the Directors of a public company to lay its Annual Report and Accounts, together with a copy of any auditor's report on them, before a general meeting of the shareholders. An ordinary resolution to receive the Annual Report and Accounts will be proposed.

2 Appointment of the Auditor and Auditor's Remuneration

Shareholders are required to appoint the external auditor at the AGM to hold office until the conclusion of the next annual general meeting. Following a review of the effectiveness, independence and objectivity of the external auditor, PricewaterhouseCoopers LLP, the Board is proposing their re-appointment as external auditor. PricewaterhouseCoopers LLP have expressed their willingness to continue in office for a further year.

The resolution also authorises the Directors, in accordance with standard practice, to negotiate and agree the remuneration of the auditors. In practice, the Audit Committee will consider the audit fees for recommendation to the Board.

3-7 Re-election of Directors

The Company's Articles of Association require the Directors to retire by rotation. Directors retiring by rotation may, if they wish, stand for re-election. Since all the Directors were appointed on 16 December 2015, they have agreed that they will each retire at the forthcoming AGM and offer themselves for re-election by shareholders. Biographical details of each of the Directors can be found in the Annual Report and Accounts.

Subject to the Articles, at each subsequent annual general meeting, one third of the continuing Directors will be subject to retirement by rotation.

Special Resolutions

Resolutions 8 to 10 (inclusive) are being proposed as special resolutions. In order for a special resolution to be passed, at least two-thirds of the votes cast must be in favour of the resolution.

8 Disapplication of Pre-Emption Rights – general

In relation to Resolution 8, if the Directors wish to allot new Shares for cash (other than bonus shares or in connection with an employee share scheme) they are required to first offer these Shares to existing shareholders in proportion to their holdings in accordance with Article 2.8 of the Articles (the **Pre-emption Procedure**).

The purpose of paragraphs (a) and (b) of resolution 8 is to authorise the Directors to allot new Shares for cash in connection with or pursuant to a rights issue or any other issue in favour of holders of Shares in proportion (as nearly as may be practicable) to the respective holdings of Shares then held by them, or in connection with a scrip dividend scheme or similar arrangement, in each case without following the Pre-emption Procedure.

The purpose of paragraph (c) of Resolution 8 is to allow the Directors, in addition to the authority granted to the Directors pursuant to paragraphs (a) and (b), generally to allot Shares for cash up to an aggregate amount equal to 5% of the issued Shares, again without following the Pre-emption Procedure.

This authority would remain in force until the conclusion of the Company's annual general meeting in 2017 or fifteen months following the passing of this resolution, whichever is the earlier.

9 **Disapplication of Pre-Emption Rights – financing**

Resolution 9 seeks a separate and additional authority to dis-apply pre-emption rights in respect of 10% of issued ordinary share capital for certain purposes pursuant to certain elements of the guidance from the Pre-Emption Group (**PEG**).

On 5 May 2016, the PEG published a recommended template resolution for dis-applying pre-emption rights. The template recommends companies request separate authority to dis-apply pre-emption rights in respect of amounts in addition to a base 5% to be used when the Board considers the use to be for an acquisition or specified capital investment in accordance with the 2015 Statement of Principles as a separate resolution to the disapplication to issue share on an unrestricted basis.

The Directors confirm, partly in accordance with the 2015 Statement of Principles, that they will only allot Shares representing more than 5% of the issued ordinary share capital of the Company for cash pursuant to the authority referred to in Resolution 9, where the allotment is in connection with an acquisition or specified capital investment, which is announced contemporaneously with the allotment.

The Directors consider that the authorities sought are appropriate as they provides the Company with the necessary flexibility to take advantage of business opportunities as they arise.

10. **Authority to buy back Shares**

Resolution 10 seeks authority for the Company to make market purchases of its own Shares, such authority being limited to the purchase of 10% of the Shares in issue as at 28 October 2016, being the last practicable date prior to publication of this Notice.

The maximum price payable for the purchase by the Company of its own Shares will be limited to an amount equal to the higher of (i) 5% above the average of the middle market quotations of the Shares, as derived from the AIM Appendix of The London Stock Exchange Daily Official List for the five business days prior to the purchase; and (ii) the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for a Share as derived from the London Stock Exchange Trading System. The minimum price payable by the Company for the purchase of its own Shares will be £0.01 per Share.

The Directors have no present intention of exercising the authority to purchase the Company's Shares but will keep the matter under review, taking into account other investment opportunities. The authority would only be exercised if and when, in the light of market conditions prevailing at the time, they believe that the effect of such purchases will be in the best interests of shareholders generally.

The Law allows the Company to hold in treasury any Shares purchased by it. Such Shares will remain in issue and will be capable of being re-sold by the Company or used in connection with certain of its share schemes.

At the date of this Notice the Company does not hold any treasury shares, but Resolution 10 seeks authority for any Shares which are repurchased to be held in treasury.

The authority set out in this resolution will expire at the end of the next AGM or fifteen months after the resolution is passed, whichever is sooner.

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