MYSALE
GROUP PLC

ANNUAL REPORT 2018

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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
8. Corporate Governance

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

Year to 30 June (A$ million)	FY18	FY17	change
Revenue	292.2	268.4	+9%
Gross Profit	85.7	76.0	+13%
Gross Margin	29.3%	28.3%	+100 bp
Underlying[1] EBITDA	11.8	8.7	+36%
Underlying profit before tax	4.9	3.3	+50%
Reported loss before tax	(1.7)	(1.6)	-9%
Underlying basic earnings per share (cents)	4.3	2.5	+70%

Strategic and Operational highlights

- Active customer base increased 9% to 1.0 million
- Continued focus on activating customers with higher lifetime-value
- Strategic plan to increase own-buy inventory delivered at 23% of online revenue
- Gross margins increased by 100bps
- Further brand partnerships result in over 1.2 million SKUs[2] online
- Endless Aisle, including our full-price offer, continues to grow
- Key online customer metrics improved
    - average order value increased 5% to A$91
    - order frequency per customer increased 4% to 3.5x per annum
    - items per basket increased 4% to 3.4 items
- Product returns rate remains at industry-leading level of just 5%

Technology highlights

- Data-driven proprietary technology platform fully deployed
    - supporting online revenue increase and cost reductions
- Recent innovations continue to enhance customer engagement:
    - Increasing uptake of *Ourpay* – our proprietary 'buy-now, pay-later' payments system
    - Launch of *Select*, our subscription delivery service
- Mobile sits at the heart of customer interactions, representing 60% of orders
- Cumulative app downloads have reached 7.4 million

[1] Underlying: is the group's EBITDA, profit after tax expense or earnings per share calculated having excluded certain expenditure of a one-off, non-trading or non-cash nature in order to allow clearer understanding of the underlying performance of the year. Full details are contained within Note 6 to the financial statements. EBITDA: earnings before interest, taxation, depreciation and amortisation. [2] Stock keeping Unit

2. Chairman's statement

I am delighted to report that the group has followed up on the strong results seen in FY17 and delivered another year of record financial performance, while making further positive progress on our strategic objectives.

Our strategic focus over the last three years has resulted in significant improvements in the top and bottom lines. Over the past 12 months, the group delivered 9% growth in revenues to A$292 million, with an increase in gross profit of 13% to A$86 million and underlying EBITDA rose 36% to A$11.8 million.

We strive to provide the best possible service and value to our customers and have made further encouraging progress on this front, as demonstrated by our improved customer metrics. In the last 12 months we have continued to attract new customers to our offer, and those that transact with us continue to be extremely loyal and engaged with our online retail proposition, with high levels of repeat purchase activity.

Digital remains at the heart of our proposition and we have focused on ensuring that our user experience is both easy and convenient for customers, while fulfilling the needs of our brand and retail partners. In support of this, our new technology platform has really achieved a step change over the past year, providing the flexibility and scalability that underpins all of our strategic objectives.

While our technology platform supports our objectives, it is our team of dedicated staff that deliver these key outcomes. As such, I wish to record the board's appreciation of all our people who strive tirelessly around the globe every day, with impressive application and ingenuity, to deliver world class service to our customers and brand partners.

In the current year we will continue to leverage our strengths, particularly in the ANZ region, to expand the number of local and international brand partners and further extend our full price offering within Endless Aisle. As ever, the group's ability to provide customised sales solutions to our brand partners is a key aspect of how we support them.

We are confident that these initiatives will continue to support ongoing profitable growth and we remain very positive about the future prospects of the group.

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Iain McDonald
Chairman
8 October 2018

3. Review of operations by the Chief Executive Officer

Over the past 12 months, MySale has delivered another record year of growth and improved financial performance, with the group well positioned to continue this positive trend into the new financial year.

We continue to make excellent progress against our strategic initiatives, with a focus on;

- providing our customers with exceptional value, brands, choice and service;
- excellence in delivering unique sales channels and world-class inventory management to brand partners;
- leveraging the significant strength and efficiency of our proprietary technology platform and international logistics network.

The group's active customer base increased by 9% in the period, with revenue growing 9% to A$292.2 million (FY17: A$268.4 million). Meanwhile, our customer engagement continued to grow underpinned by our customer-focused digital innovations including *Ourpay* and *Select*, which further enhanced our customer offer during the year.

The group's strategic focus remained in growing gross profits rather than revenue. Again, we made further progress here, delivering an increase in gross profit of 13% to A$85.7 million (FY17: A$76.0 million) and a 100 bp increase in gross margin to 29.3% (FY17: 28.3%).

This represents the group's third successive year of increasing revenue, gross profit and gross margin.

Revenue and Margin by segment									
	FY18			*Growth vs FY17*			FY17		
A$ million	Revenue	Gross profit	GP%	*Revenue*	*Gross profit*	*GP Bp*	Revenue	Gross Profit	GP%
Group	**292.2**	**85.7**	**29.3%**	***+9%***	***+13%***	***+100***	**268.4**	**76.0**	**28.3%**
ANZ	242.4	72.9	30.1%	*+9%*	*+11%*	*+40*	221.5	65.7	29.7%
S-E Asia	33.4	8.9	26.7%	*-1%*	*+10%*	*+290*	33.8	8.1	23.8%
ROW	16.5	3.8	23.5%	*+26%*	*+67%*	*+580*	13.1	2.3	17.7%

Underlying EBITDA also increased for the third successive year, growing a further 36% to A$11.8 million (FY17: A$8.7 million) as a result of the improved trading together with careful management of the cost base.

This positive performance represents another step forward on the group's path of profitable growth, driven by our clear plan to grow online activity;

- securing more, higher lifetime-value, customers, via better localised merchandising and pricing;
- increasing the proportion of own-buy (1P) inventory while reducing delivery promotions; and
- deploying our technology platform to improve customer engagement and increase efficiency.

This strategic plan, established in 2015, re-focused the business on its core aims of providing exceptional value to customers in branded products alongside exceptional inventory management solutions to brand partners within the group's three core territories.

During the period, and across all territories, the group continued to dedicate its marketing resources and spend almost exclusively into measurable, digital channels to attract and engage both new and existing customers. The ongoing communication programme has seen those loyal and engaged customers spend move frequently (increase 4% to 3.5 times per year on average), and with transaction KPI's such as average order value and basket size also increasing 4% to A$91 and 3.4 items respectively.

Total underlying operating expenses increased 9% to A$73.9 million (FY17: A$67.4 million) reflecting the increased activity and volumes of trade during the year. The group made a planned investment into additional marketing with a 20% increase to 7.5% of revenue to support long term growth in the customer base.

Moving forward, we anticipate that our technology platform will be key to unlocking further operational efficiencies and reducing costs.

In the new financial year, we are already seeing the benefits that increased automation technology can bring, specifically in terms of lower staff costs, and we anticipate that our enhanced system will deliver additional future savings across buying, merchandising, marketing and logistics.

Technology Development

During the year, the group maintained capital expenditure levels with the previous year, as planned, in order to further develop its proprietary technology capabilities. Following the release of a new and enhanced version of the group's technology platform late in FY17, this year's developments leveraged the capability now available within the group. This included more flexible and scalable functionality which supports our key objectives of increasing online revenue and using efficiency gains to decrease costs.

The group's marketplace-enabled platform allows full integration across every one of the group's sales channels, with all of the group's global portfolio of websites operating from a single platform. Through this, the group now benefits from a single live view of global inventory, which allows both 1P (owned) and 3P (consignment or drop-ship) products to be sold by any of our websites simultaneously.

Similarly, the platform can provide a single live view of each customer and their individual journeys allowing us to better serve their needs across all websites and mobile device apps. The mobile buyer remains at the heart of our customer journey and this channel accounted for 60% of orders received in the past year.

A key element of this technology development has been to enhance the group's data capabilities through better collection and analysis, improved machine learning and automation, which in turn is driving improved customer experiences, increased revenue and more efficiency. The platform allows for campaigns to be launched faster and more efficiently as well as providing seamless user interaction across all devices. These developments provide a step change in capability which will support further growth across the group in future.

In the prior year, the group launched its proprietary programme *Ourpay*, a 'buy-now, pay-later' programme which allows customers easy budgeting and seamless integration with their shopping journey. This instalment payment option helps customers manage their finances and has been shown to increase both the spend and shopping frequency of those customers joining the programme. Since its launch, this programme has proved popular with customers - more than 130,000 have now used it successfully - with those customers displaying higher average order values and buying frequency.

This payment solution was developed in-house in order to deliver a more flexible, cost-efficient and integrated system, which is better suited to the group's requirements than that provided by third parties. The system automates all aspects of the programme including credit scoring and monitoring; on which the group has adopted a conservative policy. At the year end the receivables balance associated with *Ourpay* was A$3.8 million and is anticipated to grow as transaction volumes increase. The group is assessing further opportunities to expand the reach of Ourpay and create additional commercial benefits. The launch of a test period with the first external retail partner is anticipated in October 2018.
Following the success of *Ourpay,* in FY17 the group launched *Select,* our new subscription delivery service, which allows regular customers to access reduced delivery costs in the period under review. This has also been popular, with more than 30,000 subscriptions purchased by the end of the year.

These specific digital innovations are part of the group's process of continual improvement in our customer experience, enhancing customer loyalty while giving the group better insights into our customers' needs and preferences.

Marketplace

The group's technology platform facilitates our intelligent marketplace and allows direct integration with brands and retailers providing them with access to all of our retail websites, whether that be as part of supporting an inventory management or providing a brand with a new retail channel.

During the period, we invested more time and funds into product selection to ensure customers have the best possible choice available. As a result, our marketplace platform has seen a huge increase in the SKU available in its first full year; increasing over four times to over 1.2 million. The group intends to further extend this product range, allowing brands partners to integrate directly or via third parties.

In addition, as we now have a live feed of global inventory to all websites, the group has been able to extend the length of time products are available and merchandised to customers. We call this Endless Aisle which refers to this incredible shopping selection our platform is now able to offer consumers.

Our marketplace operates with customers' mobile experience at its heart and is also simple and intuitive for vendors to use which allows us to efficiently support our brand partners and their sales ambitions.

Increasingly brands are using marketplace solutions to support their international sales as it provides local knowledge, existing audiences, and a cost-effective launch in a new territory. Due to the single global platform, our brand partners are able to offer their products seamlessly to multiple territories rather than be restricted to a single territory as is common with other platforms.

Brands and Strategic Partnerships

Following the notable strategic partnerships launched in FY17 in the period under review the group increased the number of brand partners listing on the marketplace platform to 2,000, which has driven the substantial increase in the number of SKU's available to customers.

The majority of the increased product selection has come from relationships with 3P suppliers, on which the group does not take any inventory risk as the terms of business are on a consignment or dropship basis. However, we have also successfully increased the proportion of 1P product on our sales channels as this supports product selection, brand curation and overall service proposition for customers. This reached 23% of sales during the period and the group expects that this proportion will continue to increase again in FY19, with a target to reach 25-30% of the sales mix in the medium-term.

Whilst the vast majority of goods sold are still done so on a consignment or drop-ship basis, this 1P strategy supports deeper relationships with brand partners, slightly higher gross margins and provides our customers with a wider product selection and faster delivery times. The group's 1P activity is focused on staple, high quality branded goods where the data supports strong engagement with our customers. This element of our consumer offer is continually improving as it has evolved from a focus on off-price inventory to a more customer-led, data-driven and planned retail solution with more continuity lines.

Our partnerships with flagship retail brands continue to provide a strong endorsement of the group's capabilities in supporting brands in establishing new sales channels as well as in inventory management. The retail landscape is undergoing continued structural change and large brands increasingly recognise the benefits that more integrated inventory partnerships can bring to their operations.

The group's well-established international network, flexible and scalable technology platform and resources in key territories make it an ideal partner for international brands and retailers. Our platform allows us to customise our integration with any brand, thus delivering a tailored solution to their requirements.

Operations

During the year, the group's highly efficient platform processed record numbers of transactions, underlining the efficient processes and systems that the group has in place to support brands and serve customers. On average, over the past 12 months more than 40,000 new products were launched daily and over 11 million units were shipped in the year. Positively, customer returns remain at industry leading levels of just 5% overall.

The material progress in establishing the marketplace platform has allowed the group to unlock further operational efficiencies in the period. For example, through increased automation, certain internal functions have been downsized and in some instances outsourced, leaving the group as a leaner and more focused organisation. Having bedded in the new platform throughout the business during FY18 a comprehensive cost reduction programme commenced before the period end, the benefits of which will steadily increase across the FY19 financial year.

Australia & New Zealand (ANZ)

The group's largest operating segment had another year of increased revenues, gross profit and customer volumes. Gross profit increased by 11% to A$72.9 million (FY17: A$65.7 million) while revenue grew 9% to A$242.4 million (FY17: A$221.5 million). Gross Margin rose to 30.1% (FY17: 29.7%).

Our localised offer and strong merchandising continued to resonate with our customer base in the period, with a 4% improvement in our main customer KPIs of average order value, frequency and basket size.

The scale of our operations in this region, combined with our strong position in the online retail landscape, represent significant strengths and opportunities the group. The group plans to focus on developing these further in the new financial year, actively looking to expand the breadth and depth of our online and sales channels in this region, to fully leverage our customer base, physical resource, buying power and expertise. These strengths will be deployed to the benefit of both domestic and international brands using our off-price retail heritage and increasingly the full-price selection our customers seek from us.

The group's retail marketplace has its largest presence in ANZ and is an opportunity to significantly increase the group's addressable market in the region. The group is one of the pre-eminent online retailers in ANZ and has further attractive growth possibilities due to both the lower levels of internet penetration, in comparison to territories such as the UK and the USA, and this region's relative lack of off-price retailers.

In ANZ the group has a small network of physical outlets, part of our offline activities, which is used both to clear the group's own surplus inventory and returns via that offline channel. It's planned that the number of outlets will reduce in FY19 to focus this activity into fewer, more profitable, sites.

In total the outlet and wholesale, which constitute our offline activities represented c 12% of revenue (FY17: 11%). The wholesale syndication activity has been very productive over the last two financial periods as it supported the strategic initiatives to build partnerships, increase the own-buy (1P) element of the sales mix and prove the group's marketplace model to partners. Having achieved these aims the group plans to reduce the weighting of wholesale syndication activity which shall bring a number of its own benefits namely; cost efficiency gains and accretion in the underlying EBITDA margin together with a reduction in trade receivable balances with the associated increase in cash inflows.

South-East Asia

During the period South-East Asia saw gross profit grow 10% to A$8.9 million (FY17: A$8.1 million) as margin improvement was prioritised over revenue growth. Gross Margin increased by 290 bps to 26.7% following a revised pricing policy, while revenue remained flat at A$33.4 million (FY17: A$33.8 million). The continued growth in profitability has been driven by the group's localisation plan which ensures that merchandising, pricing, payment and shipping solutions are all tailored to the needs of local consumers.

In this region the strategy has been to grow the active customer base, so acquisition marketing is a priority to build gross profitability and leverage this increasing scale by using resources more efficiently and achieving lower shipping rates. With a more profitable local model now established and an enviable position within the South-East Asian e-commerce market, the region is an important element of the group's long-term profitable growth.

In the medium to long term this region is anticipated to be increasingly significant as the group grows its customer base and demand for branded products, particularly European and USA brands, continues to increase. 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 operations within the UK, which trades predominately under the Cocosa brand and which provides customers with compelling value in premium branded products.

The UK had another good year, as gross profit, the group's priority, increased by 67% to A$3.8 million (FY17: A$2.3 million), revenue increased by 26% to A$16.5 million (FY17: A$13.1 million) and gross margins improved. This growth was underpinned by increased numbers of active customers which is a key objective for the group in newer territories.

These are encouraging results and position the business for further growth in FY19 and beyond. While this region currently represents a relatively small part of the group's overall activities, we operates in the UK's large and well developed online marketplace where engaged and active consumers can be acquired successfully and cost effectively.

The group has a material presence in the UK as it is an important centre for the group's product sourcing team for both UK and European brands. Brands from these territories, along with USA, have grown their weighting within group revenues over the past few years and now account for over half of our worldwide revenue.

Outlook

The group had an excellent year to 30 June 2018, with significant growth in profitability and good progress against our strategic goals, which we aim to build upon in the current year.

In the new financial year, we plan to focus on leveraging new opportunities in ANZ region, which remains our largest operating territory and has the most powerful marketing, logistics and staffing resources of the group. These will be deployed to the benefit of both domestic and international brands using our off-price retail heritage and the full-price selection that our customers increasingly seek from us.

At the same time we plan to reduce our offline activities in the current year, given significant progress against our strategic aims of increasing the own-buy element of our sales mix and proving our marketplace model to partners. As a result, we expect revenues to be broadly level year on year, with growth in core online revenues offsetting this planned reduction in offline. We anticipate, however, that this, along with the full deployment of our technology platform, will bring significant cost efficiency gains and accretion in the underlying EBITDA margin.

While it is early in the current year, and our peak trading period lies ahead, trading to date has been in line with expectations and the board expects that underlying EBITDA for the year will be in line with market forecasts with an overall heavier second half weighting.

Carl Jackson
Chief Executive Officer
8 October 2018

4. Financial review by the Chief Financial Officer

Revenue and Gross Profit
For the year ended 30 June 2018 group revenue increased by 9% to A$292.2 million (FY17: A$268.3 million) and gross profit increased faster, by 13%, to reach A$85.7 million (FY17: A$76.0 million). This improved performance came as a direct result of the strategic plan implemented by the group in 2015.

Operating Expenses
The increase in activity and gross profit resulted in underlying operating expenses of A$73.9 million (FY17: A$67.4 million) in the year. During the year the group increased staff resources in a number of operational departments to support further growth and ensure the group delivers outstanding service to its customers.

Profit/Loss before Tax
The underlying profit before tax for the year increased 50% A$4.9 million (FY17: A$3.3 million) and the reported loss before tax for the period is A$1.7 million (FY17: A$1.5 million). This reported loss is after the inclusion of a number of one-off and non-cash items which are shown in more detail below and in note 6 to the financial statements in order to provide greater insight as to the underlying profitability of the group.

Profit/Loss after Tax and earnings per share
The underlying profit after tax for the year increased 70% to is A$6.6 million (FY17: A$3.9 million) and the reported loss after tax for the period is $A0.1 million (FY17: A$1.0 million). This reported loss is after the inclusion of a number of one-off and non-cash items which are shown in more detail below and in note 6 to the financial statements in order to provide greater insight as to the underlying profitability of the group.

Note 35 shows the detailed calculations of basic earnings per share for the financial year which increased by 70% to 4.3 cents per share (FY16: 2.5 cents) on an underlying basis and was 0.03 cents loss (FY17: 0.65 cents loss) on a reported basis.

Taxation
The group has recorded a tax benefit of A$1.6 million for the year (FY17: A$0.6 million) which diverges from the group's long term guidance of an effective tax rate of approximately 30%. This divergence 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$32.4 million (FY17: 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$12.1 million (FY17: A$10.5 million).

Balance Sheet, Cash and Working Capital
The group's closing cash balance was A$6.8 million (FY17: A$19.0 million) and the net debt balance was A$6.2 million (FY17: A$8.9 million net cash), well within the group's banking facilities.

The closing cash balance for the year, which is lower than anticipated, reflects a number of significant, temporary working capital outflows which occurred towards the end of the financial year which will reverse in the current financial period, together with one-off expenditure associated with a prospective acquisition transaction, further details of which are shown below. The working capital impact is predominantly seen by the increase in trade receivables to A$29.9 million (FY17: A $17.0 million) which will reverse in FY19 and thus net cash balances shall increase and are expected to be positive at the end of the current year.

The group's strategic plan allows for selective investment into inventory balances and other working capital deployments to ensure the group is able to take advantage of commercially beneficial purchasing opportunities. A number of purchasing opportunities arose towards the end of the financial year and inventory was acquired and part re-sold, on a wholesale basis.

In the past two financial years the trade receivables balance has built up as the group's offline activities, particularly wholesale syndication, increased. However, now that key objectives, of building partner relationships and proving the marketplace capability, have been achieved, the forward strategy is to reduce that offline wholesale activity which shall deliver a steady reduction in trade receivables and in turn steady increase in cash inflows.

Capital expenditure increased, as planned, as the group invested principally in the development of its proprietary technology platform together with expenditure related to property and equipment upgrades. Total capital expenditure was A$9.1 million (FY17: A$8.5 million).

Banking Facilities
The group's cash balances are held principally with HSBC with whom the group currently has trade finance multi option debt facilities of A$28.1 million. All facilities are renewed on an annual basis.

Underlying Basis

As noted above 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 of a non-trading nature 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 and outlined below.

A$ million	FY18	FY17
Reported EBITDA	5.1	3.8
Share based payments	0.9	1.1
Discontinued activities	0.2	0.3
One-off costs	3.6	2.4
Unrealised foreign exchange loss	2.0	1.0
	6.7	4.8
Underlying EBITDA	11.8	8.7
Depreciation & Amortisation	6.6	5.3
Net interest expense	0.3	0.1
Underlying profit before tax	4.9	3.3

Included within one-off items are items of a non-trading, non-recurring nature such as acquisition expenses, reorganisation costs, charges arising from system migration and other costs. The principle items in the year under review include A$1.4 million of costs associated with the acquisition and subsequent reorganisation of Identity Direct as previously announced and A$2.0 million of costs associated with potential acquisition transactions which did not conclude.

Whilst it is disappointing to incur costs on projects which do not conclude the group has identified key strategic and commercial benefits that can be derived from increasing the scale of the business and continues to evaluate acquisition opportunities.

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 order value (AOV), frequency of customer purchase, items in customer basket, average revenue per active customer (RPAC), and underlying EBITDA.

Andrew Dingle
Chief Financial Officer
8 October 2018

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.

Unauthorised access to customer database, either from external attack or internal control weaknesses, could lead to reputational damage, compliance issues, substantial regulatory fines and loss of customer confidence. The company has implemented a disaster recovery plan and cyber insurance to support the business in the event of an incident occurring.

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 a large number of suppliers 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 provide 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.

8. Corporate governance

Introduction

High standards of corporate governance are a key priority for the Board of MySale Group plc and, in line with the London Stock Exchange's requirement that AIM-listed companies adopt and comply with a recognised corporate governance code, the Board applies the principles of the 2018 Quoted Companies Alliance Corporate Governance Code (the "QCA Code"), where they consider it appropriate, as the basis of the group's governance framework. It is the responsibility of the Board to ensure that the group is managed for the long-term benefit of all shareholders and stakeholders, with effective and efficient decision-making. Corporate governance is an important aspect of this, reducing risk and adding value to the business.

The Board acknowledge the importance of the QCA Code's aims that '*'Companies need to deliver growth in long-term shareholder value. This requires an efficient, effective and dynamic management framework and should be accompanied by good communication which helps to promote confidence and trust*'' and the ten principles of corporate governance set out in that Code. The group's current approach to complying, as appropriate, with those principles is set out below.

Quoted Company Alliance Corporate Governance Code Principles

Deliver Growth

1. Establish a strategy and business model which promote long-term value for shareholders

MySale Group Plc has an established strategy to deploy its international ecommerce platform to connect brand partners with consumers. This strategy has delivered increased revenue and underlying EBITDA in each of the last three years.

The Board has identified the tactics that it believes will support the strategic aims and improve the group's performance;

- Leverage market leading position in ANZ
- Utilise technology to improve customer experience and business efficiency
- Build international brand partnerships to provide a wide product selection
- Selective M&A where and when appropriate to expand the business model

A fuller explanation of how the strategy and business model are executed is contained in the Annual Report and presentation which are available to download from the group website www.mysalegroup.com.

2. Seek to understand and meet shareholder needs and expectations

The company recognises the importance of engaging with its shareholders and reports formally to them when its full-year and half-year results are published. At the same time, Executive directors present the results to institutional investors, analysts and the media. The Non-executive directors are available to discuss any matter stakeholders might wish to raise, and the Chairman and independent Non-executive directors attend meetings with investors and analysts as required.

The Chief Executive Officer provides the Board with a summary of the content of any engagement the Executive directors have had with investors to ensure that major shareholders' views are communicated to the Board as a whole. The Board is also provided with brokers' and analysts' reports when published. This process enables the Chairman and the other Non-Executive director to be kept informed of major shareholders' opinions on strategy and governance, and for them to understand any issues or concerns.

Shareholders are encouraged to attend the annual general meeting at which the group's activities and results are considered, and questions answered by the directors. General information about the group is also available on the company's website. This includes an overview of activities of the group and details of all recent regulatory announcements

The group maintains a dedicated email address at shareholder.notifications@mysale.com which investors may use to contact the company which, together with the group's address, are prominently displayed on the group's website. Investors may also make contact requests through the Company's Nominated Advisor and Joint Broker, Zeus Capital and Joint Broker N+1 Singer.

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success

In addition to its shareholders, the company believes its main stakeholder groups are its employees, customers, brand partners, suppliers and relevant statutory authorities in its areas of operation.

The group recognises the increasing importance of corporate social responsibility and endeavours to take it into account when operating its business in the interests of its stakeholders, including its investors, employees, customers, suppliers, business partners and the communities where it conducts its activities.

The group believes that having empowered and responsible employees who display sound judgment and awareness of the consequences of their decisions or actions, and who act in an ethical and responsible way, is key to the success of the business.

The operation of a profitable business is a priority which in turn means investing for growth and operating in a sustainable manner. The group has therefore adopted core principles which provide a framework to operating with integrity and respect for all stakeholders.

The group aims to conduct its business with integrity, respecting the different cultures and the dignity and rights of individuals in the countries where it operates. The group recognises the obligation to promote universal respect for and observance of human rights and fundamental freedoms for all, without distinction as to race, religion, gender, language or disability and these are codified within the operational documents and procedures of the group.

The group has the aim that communities in which it operates should benefit directly from its presence through the wealth and jobs created, and the investment of its time and money in the community.

Health and safety

The directors are committed to ensuring the highest standards of health and safety, both for employees and for the communities within which the group operates. The group's Chief Executive Officer is the person with overall responsibility for health and safety matters.

The group seeks to meet legal requirements aimed at providing a healthy and secure working environment to all employees and understands that successful health and safety management involves integrating sound principles and practice into its day-to-day management arrangements and requires the collaborative effort of all employees. All employees are positively encouraged to be involved in consultation and communication on health and safety matters that affect their work.

Environment

The directors are committed to minimising the impact of the group's operations on the environment. The group recognises that its business activities have an influence on the local, regional and global environment and accepts that it has a duty to carry these out in an environmentally responsible manner. It is the group's policy to endeavour to meet relevant legal requirements and codes of practice on environmental issues so as to ensure that any adverse effects on the environment are minimised.

Consumer

The group has deployed policies and procedures to ensure its compliance with consumer laws and regulations within each jurisdiction of operation. These policies and procedures and reviewed by external experts on a regular basis.

4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board has overall responsibility for the group's internal control systems and for monitoring their effectiveness. The Board, with the assistance of the Audit Committee, maintains a system of internal controls to safeguard shareholders' investment and the group's assets, and has established principles and a continuous process for identifying, evaluating and managing the risks the group faces.

Further details of the principal risks faced by the group and how they are mitigated are contained on pages 12 and 13 of this report.

The Board considers risk to the business on an ongoing basis and the group formally reviews and documents the principal risks at least annually. Both the Board and senior management are responsible for reviewing and evaluating risk and the Executive directors meet on a regular basis to review ongoing trading performance, discuss budgets and forecasts and any new risks associated with ongoing trading, the outcome of which is reported 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.

Maintain a dynamic management framework

5. Maintain the Board as a well-functioning, balanced team led by the chair

The Chairman is responsible for leadership of the Board, ensuring its effectiveness on all aspects of its role, setting its agenda and ensuring that the directors receive accurate, timely and clear information. The Chairman also ensures effective communication with shareholders and facilitates the effective contribution of the other Non-executive director. The group is satisfied that the current Board is sufficiently resourced to discharge its governance obligations on behalf of all stakeholders and will consider the requirement for additional Non- executive directors as the company fulfils its growth objectives.

To enable the Board to discharge its duties, all directors receive appropriate and timely information. Briefing papers are distributed to all directors in advance of Board and Committee meetings. All directors have access to the advice and services of the Chief Financial Officer, who is responsible for ensuring that the Board procedures are followed, and that applicable rules and regulations are complied with. In addition, procedures are in place to enable the directors to obtain independent professional advice, at the group's expense, if necessary.

The Board is responsible to the shareholders and sets the group's strategy for achieving long-term success. It is ultimately responsible for the management, governance, controls, risk management, direction and performance of the group. Further details of the composition of the Board and Committee are set out on page 18 of this report.

6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The Board currently comprises three Executive and three Non-executive directors with an appropriate balance of the retail and online sectors, financial and public market skills and experience. The skills and experience of the Board are set out in their biographies on pages 23 and 24 of this report. The experience and knowledge of each of the directors gives them the ability to constructively challenge the strategy and to scrutinise performance. The Board also has access to external advisors where necessary.

Throughout their period in office the directors are continually updated on the group's business, the industry and competitive environment in which it operates, corporate social responsibility matters and other changes affecting the group by written briefings and meetings with senior executives. Advisors provide updates on changes to the legal and governance requirements of the group, and directors, on an ongoing and timely basis.

7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The performance of the Board, its Committees and that of the individual directors is monitored by the Chairman on an ongoing basis. In addition, the executive directors are subject to an annual review process.

8. Promote a corporate culture that is based on ethical values and behaviours

The group adopts a policy of equal opportunities in the recruitment and engagement of staff as well as during the course of their employment. It endeavours to promote the best use of its human resources on the basis of individual skills and experience matched against those required for the work to be performed.

The group recognises the importance of investing in its employees and, as such, the group provides opportunities for training and personal development and encourages the involvement of employees in the planning and direction of their work. These values are applied regardless of age, race, religion, gender, sexual orientation or disability.

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.

The group recognises that commercial success depends on the full commitment of all its employees and commits to respecting their human rights, to provide them with favourable working conditions that are free from unnecessary risk and to maintain fair and competitive terms and conditions of service at all times.

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.

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

The Chairman, Iain McDonald, is responsible for leadership of the Board, ensuring its effectiveness on all aspects of its role, setting its agenda and ensuring that the directors receive accurate, timely and clear information. The Chairman also ensures effective communication with shareholders and facilitates the effective contribution of the other Non-executive directors. The Chief Executive Officer, Carl Jackson, is responsible for the operational management of the group and the implementation of Board strategy and policy. By dividing responsibilities in this way, no one individual has unfettered powers of decision-making.

There is a schedule of matters reserved for decision by the board which enables the Board to provide leadership and ensure effectiveness. Such matters include business strategy and management, financial reporting (including the approval of the annual budget), group policies, corporate governance matters, major capital expenditure projects, materials acquisitions and divestments and the establishment and monitoring of internal controls.

The appropriateness of the Board's composition and corporate governance structures are reviewed through the ongoing Board evaluation process and on an ad hoc basis by the Chairman together with the other directors, and these will evolve in parallel with the group's objectives, strategy and business model as the group develops.

Board Committees

The Board has established Audit and Remuneration Committees.

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:

Charles Butler	Chair
David Mortimer AO	Member

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 advisors or the independent Auditors 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.

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 on pages 19 to 22 of this report.

The members of the Remuneration Committee are:

Iain McDonald	Chair
David Mortimer AO	Member

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.

Build Trust

10. Communicate how the company is governed and is performing

The group formally reports its performance to all stakeholders with the publication of full year and half-year results. These publications are supplemented by three regular trading updates each year together with any ad hoc announcement required in order to ensure appropriate market sensitive information is available to all interested parties.

The company holds and Annual General Meeting each year at which a trading update is provided and shareholders and encouraged to participate. The results of the resolutions voted upon at the Annual General Meeting are formally published.

The Board maintains a healthy dialogue with all its stakeholders. Throughout the course of the financial year the Board communicates with shareholders directly and uses external advisors to canvass shareholders on any views, concerns and expectations they may wish to express indirectly.

By Order of the Board.

Iain McDonald
Chairman
8 October 2018

High standards of corporate governance are a key priority for the Board of MySale Group plc and, in line with the London Stock Exchange's requirement that AIM-listed companies adopt and comply with a recognised corporate governance code, the Board applies the principles of the 2018 Quoted Companies Alliance Corporate Governance Code (the "QCA Code"), where they consider it appropriate, as the basis of the group's governance framework. It is the responsibility of the Board to ensure that the group is managed for the long-term benefit of all shareholders and stakeholders, with effective and efficient decision-making. Corporate governance is an important aspect of this, reducing risk and adding value to the business.

The Board of Directors

During the financial year ended 30 June 2018 and as at the date of approval of these financial statements, the Board consisted of six directors as shown below. Charles Butler was appointed as a Non-Executive Director on 23 October 2017. All 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
Charles Butler	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. Charles Butler replaced Iain McDonald as Chair of the Audit Committee on 25 June 2018.

The members of the Audit Committee are:

David Mortimer AO	Member
Charles Butler	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 advisors or the independent Auditors 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 2018 are as follows:

Executive director	Base salary	Pension Contributions	Taxable Benefits	Group entity with which the contract is with
Jamie Jackson	£200,000	-	£18,000	MySale Group Plc
Carl Jackson	A$371,250	A$35,268	A$30,000	Ozsale Pty Limited
Andrew Dingle	A$325,000	A$30,875	A$33,560	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, Iain McDonald and Charles Butler entered into letters of appointment on 3 June 2014, 27 July 2015 and 23 October 2017 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
Charles Butler	£45,000	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 2018 was as follows and this information is subject to audit:

	Basic salary/ fees	Bonus	Taxable benefits	Pension contributions	Total 2018	Total 2017
Non-executive directors:						
Iain McDonald	£75,000	-	-	-	£75,000	£75,000
David Mortimer AO	£40,000	-	-	-	£40,000	£40,000
Charles Butler	£31,038	-	-	-	£31,038	-
Executive directors:						
Jamie Jackson	A$345,483	-	A$35,318	-	A$380,801	A$368,953
Carl Jackson	A$320,408	-	A$25,885	A$30,439	A$376,732	A$399,562
Andrew Dingle	A$324,582	-	A$33,560	A$30,835	A$388,977	A$365,814

Employee Share Plan

The company's employee share plan is called the Loan Share Plan ('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. 100% of the ordinary shares vested three years from grant date and are subject to the achievement of the Underlying Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA') included in the company's internal forecasts set by the Board in the year of the grant.

Shares granted under the LSP are as follows:

	Balance 1 July 2017	Granted	Exercised	Cancelled	Balance 30 June 2018	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	-	-
Andrew Dingle	509,722	-	-	-	509,722	£0.65	-	-

Share price information

The market price of MySale Group Plc ordinary shares at 30 June 2018 was £0.70 (2017: £1.15) and the range during the financial year was between £0.71 and £1.20 (2017: £0.65 and £1.15).

The directors present their report, together with the audited financial statements and independent auditors' report, on the consolidated group (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 2018.

Directors

The directors who have served on the Board of MySale Group Plc during the whole of the financial year (Charles Butler joined 23 October 2017) and up to the date of this report are set out below:

Iain McDonald
David Mortimer AO
Charles Butler
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:	48
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:	73
Experience and expertise:	David was appointed to the Board in May 2014. He has over 41 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:	Charles Butler
Title:	Independent Non-Executive Director
Age:	47
Experience and expertise:	Charles was appointed to the Board in October 2017. He has over two decades experience in senior and board level positions in growth and digital technology businesses. Amongst Charles' broad executive experience, notable roles include Chief Executive Officer of Market Tech Holdings, a property and digital technology group which he led from successful IPO through to its subsequent takeover, and Group CEO at NetPlay TV, the interactive gaming company. Charles is a member of the Institute of Chartered Accountants in England and Wales.

Name:	Jamie Jackson
Title:	Executive Director and Vice Chairman
Age:	53
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 21 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. 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:	55
Experience and expertise:	Carl joined MySale in 2009 and has over 27 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:	48
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[1]	165,000	0.1%
Charles Butler	17,000	-
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 2018 (June 2017: A$nil).

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 report 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 (note 26).
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

[1] 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.

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 at least the next twelve months from the date of approval of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Subsequent events

No matter or circumstance has arisen since 30 June 2018 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.

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	21,344,111	14.1%
Lombard Odier Asset Management Europe Ltd	17,548,036	11.6%
Sports Direct International	7,251,065	4.8%

Charitable and political donations

The group made charitable donations of $1,324 (2017: nil) during the financial year. The group made no political donations.

Indemnity and insurance of officers

The company maintains directors' and officers' liability insurance which gives appropriate cover for any legal action brought against its directors. The company has also provided an indemnity for its directors, which is a qualifying third-party indemnity provision. This was in place throughout the year and up to the date and approval of the financial statements.

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
8 October 2018

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 reasonably 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 they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and parent company's auditors are aware of that information.

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.

By Order of the Board

Iain McDonald
Chairman
London
8 October 2018

Independent auditors' report to the members of MySale Group Plc

Report on the audit of the group and parent financial statements

Opinion

In our opinion, MySale Group plc's group and parent financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent's affairs as at 30 June 2018 and of the group's loss and cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

We have audited the financial statements, included within the Annual Report and financial statements ("Annual Report"), which comprise: the Balance sheet and Parent balance sheet as at 30 June 2018; the Statement of profit or loss and other comprehensive income; the Statement of cash flows; the Statement of changes in equity and the Parent statement of changes in equity for the year then ended; and the Notes to the financial statements and the Notes to the parent financial statements, which include a description of the significant accounting policies.

Certain required disclosures have been presented elsewhere in the Annual Report and financial statements ("Annual Report"), rather than in the notes to the financial statements. These disclosures are cross-referenced from the financial statements and are identified as audited.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group and parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Context

The principal activities of MySale Group Plc are as an international online retailer with established websites in Australia and New Zealand, South-East Asia and an expanding presence in the United Kingdom.

Overview

- A$2.9 million (2017: A$2.6 million) - group financial statements.
- Based on 1% of total revenues.
- A$1.6 million (2016: $A1.7 million) - parent financial statements.
- Based on 1% of total assets.

- We conducted an audit of the complete financial information of the main Australian trading entity. Procedures were performed over specific balances and financial line items at the remaining reporting units based on their nature and size.
- The reporting unit where we performed an audit of complete financial information accounted for 90% of group revenue.

- Risk of fraud in revenue recognition (group).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	***How our audit addressed the key audit matter***
Risk of fraud in revenue recognition Refer to Note 2 (Significant accounting policies). We have identified a risk of fraud in relation to the potential misstatement of revenue for the year. Due to the nature of MySale Group Plc's core sales, transactions are individually low in value and are highly automated through the website and related systems. As a result, the risk of manipulation is highest at the financial statement level, as management may seek to inflate results through the posting of fictitious sales transactions by way of manual journals relating to wholesale transactions, by recognising revenue for sales made where the goods have yet to be delivered or by manipulating the provision for sales returns.	As part of our audit work we have obtained an understanding and evaluated the control environment surrounding revenue recognition. We have utilised computer based audit techniques to test the revenue process, focusing on non-standard revenue transactions and matching revenue transactions to accounts receivable and cash based on our understanding of the business and revenue cycle. In addition to performing computer based audit techniques, we tested the existence of wholesale revenue by agreeing the a sample of the revenue to shipping documents and contracts where accounts receivable balances remain at 30 June 2018. We discussed the revenue recognition policy with management and obtained management's calculation to assess their procedures around cut-off of revenue recognition related to sales that have been made where products have not yet been delivered to the customer. In addition, we tested managements' calculations which included agreeing a sample of revenue transactions to delivery notices to verify their proper inclusion or exclusion in the revenue figures for the year ended 30 June 2018. We obtained management's calculation of the provision for returns recognised against revenue and compared the provision to actual returns processed subsequent to year end. The methodology used to calculate the provision is consistent with the prior year and we noted no discrepancies from our testing performed.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the parent, the accounting processes and controls, and the industry in which it operates.

MySale Group Plc trades internationally through a number of websites. The group financial statements are ultimately a consolidation of 19 reporting units representing the group's operating businesses. The reporting units vary in size and we identified one reporting unit which required an audit of its complete financial information due to its individual size.

The reporting units where we performed an audit of the complete financial information accounted for 90% of the group's revenue. Audits of specific financial statement line items were performed on certain balances in a further one reporting unit, to provide additional coverage over certain financial statement line items. Our scoping considerations for the group audit were based both on financial information and risk. OzSale Pty Ltd represents the majority of the revenue and trading results for the group and, as such, is the only reporting unit which we considered required an audit of its complete financial information. We have additionally performed procedures over an additional seven reporting components that were not deemed material for the group audit. We also visited the group's main operations and our component team in Sydney, Australia as part of our audit procedures.

Our audit work at these reporting units, together with the additional procedures performed at group level on the consolidation gave us the evidence we needed for our opinion on the group and parent financial statements as a whole.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	*Parent financial statements*
Overall materiality	A$2.9 million (2017: A$2.6 million).	A$1.6 million (2017: A$1.7 million).
How we determined it	1% of total revenues.	1% of total assets.
Rationale for benchmark applied	Based on the benchmarks used in the annual report, revenue is one of the primary measure used by the shareholders in assessing the performance of the group, and is a generally accepted auditing benchmark.	As the parent entity, MySale Group Plc, is essentially a holding company for the group, the materiality benchmark has been determined to be based on total assets which is a generally accepted auditing benchmark.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across the in-scope components was between A$1.6 million and A$2.7 million.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above A$145,000 (group audit) (2017: A$126,000) and A$77,930 (parent company audit) (2017: A$82,500) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and the parent's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's or the parent's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the *Directors' Responsibilities Statement* set out on page 26, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies (Jersey) Law 1991 exception reporting

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 by the group and parent; or
- proper returns adequate for our audit have not been received from branches not visited by us; or
- the group and parent's financial statements are not in agreement with the accounting records and returns

We have no exceptions to report arising from this responsibility.

Craig Skelton
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Recognized Auditor
London
8 October 2018

	Note	2018 A$'000	2017 A$'000
Revenue			
Revenue from sale of goods	4	292,204	268,387
Cost of sale of goods		(206,511)	(192,344)
Gross profit		85,693	76,043
Other operating loss, net	5	(1,364)	(1,334)
Finance income		10	105
Finance costs	7	(271)	(223)
Finance costs, net		(261)	(118)
Expenses			
Selling and distribution expenses		(51,047)	(44,040)
Administration expenses		(34,713)	(32,109)
Loss before income tax benefit		(1,692)	(1,558)
Income tax benefit	9	1,640	576
Loss after income tax benefit for the year attributable to the owners of MySale Group Plc		(52)	(982)
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	826	259
Foreign currency translation	23	1,271	(1,751)
Other comprehensive income for the year, net of tax		2,097	(1,492)
Total comprehensive income for the year attributable to the owners of MySale Plc Group Plc		2,045	(2,474)
		Cents	Cents
Basic earnings per share	35	(0.03)	(0.65)
Diluted earnings per share	35	(0.03)	(0.65)

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

MySale Group Plc
Balance sheet
As at 30 June 2018

	Note	2018 A$'000	2017 A$'000
Assets			
Current assets			
Cash and cash equivalents	10	6,770	19,027
Trade and other receivables	11	29,854	16,951
Inventories	12	38,670	38,042
Derivative financial instruments		38	-
Income tax receivable		115	-
Other	13	3,957	4,949
Total current assets		79,404	78,969
Non-current assets			
Property, plant and equipment	14	2,571	2,711
Intangibles	15	38,542	35,572
Deferred tax	16	12,141	10,544
Total non-current assets		53,254	48,827
Total assets		132,658	127,796
Liabilities			
Current liabilities			
Trade and other payables	17	30,023	28,586
Borrowings	18	12,998	10,014
Derivative financial instruments		-	788
Income tax payable		-	193
Provisions	19	2,816	2,283
Deferred revenue		8,337	10,222
Total current liabilities		54,174	52,086
Non-current liabilities			
Borrowings	20	54	143
Provisions	21	272	332
Total non-current liabilities		326	475
Total liabilities		54,500	52,561
Net assets		78,158	75,235
Equity			
Share capital	22	-	-
Share premium account		306,363	306,363
Other reserves	23	(122,983)	(125,958)
Accumulated losses		(105,202)	(105,150)
Equity attributable to the owners of MySale Group Plc		78,178	75,255
Non-controlling interests	24	(20)	(20)
Total equity		78,158	75,235

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

The financial statements of MySale Group Plc (company number 115584 (Jersey)) were approved by the Board of Directors and authorised for issue on 8 October 2018. They were signed on its behalf by:

Carl Jackson	Andrew Dingle
Director	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 2016	306,363	(125,763)	(104,168)	(20)	76,412
Loss after income tax benefit for the year	-	-	(982)	-	(982)
Other comprehensive income for the year, net of tax	-	(1,492)	-	-	(1,492)
Total comprehensive income for the year	-	(1,492)	(982)	-	(2,474)
Transactions with owners in their capacity as owners:					
Share-based payments (note 23)	-	1,297	-	-	1,297
Balance at 30 June 2017	306,363	(125,958)	(105,150)	(20)	75,235

	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 2017	306,363	(125,958)	(105,150)	(20)	75,235
Loss after income tax benefit for the year	-	-	(52)	-	(52)
Other comprehensive income for the year, net of tax	-	2,097	-	-	2,097
Total comprehensive income for the year	-	2,097	(52)	-	2,045
Transactions with owners in their capacity as owners:					
Share-based payments (note 23)	-	878	-	-	878
Balance at 30 June 2018	306,363	(122,983)	(105,202)	(20)	78,158

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

	Note	2018 A$'000	2017 A$'000
Cash flows from operating activities			
Loss before income tax benefit for the year		(1,692)	(1,558)
Adjustments for:			
Depreciation and amortisation		6,576	5,275
Net gain on disposal of property, plant and equipment		(17)	(15)
Interest income		(10)	(105)
Interest expense		271	223
		5,128	3,820
Change in operating assets and liabilities:			
Increase in trade and other receivables		(13,012)	(7,893)
Increase in inventories		(627)	(2,529)
Decrease in other operating assets		670	3,190
Increase/(decrease) in trade and other payables		1,224	(1,167)
Increase in other provisions		1,520	1,207
Decrease in deferred revenue		(1,733)	(1,455)
		(6,830)	(4,827)
Interest received		10	105
Interest paid		(271)	(223)
Income taxes paid		(182)	(575)
Net cash used in operating activities		(7,273)	(5,520)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired		-	(3,090)
Payments for property, plant and equipment		(837)	(1,184)
Payments for intangibles		(8,263)	(7,308)
Proceeds from disposal of property, plant and equipment		-	68
Proceeds from release of security deposits		17	103
Net cash used in investing activities		(9,083)	(11,411)
Cash flows from financing activities			
Proceeds from borrowings		-	13,234
Repayment of borrowings	28	(4,775)	(9,671)
Repayments of leases	28	(38)	(28)
Additional lease finance	28	-	146
Net cash (used in)/from financing activities		(4,813)	3,681
Net decrease in cash and cash equivalents		(21,169)	(13,250)
Cash and cash equivalents at the beginning of the financial year		19,027	34,005
Effects of exchange rate changes on cash and cash equivalents		1,204	(1,728)
Cash and cash equivalents at the end of the financial year	10	(938)	19,027

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 dollars.

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, limited by shares, 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, 44 Esplanade Street. Helier, JE4 9WG, Jersey and principal place of business is at 3/120 Old Pittwater Road, Brookvale, NSW 2100, Australia.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 8 October 2018. 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.

The financial statements are prepared in accordance with International Financial 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.

Going concern
The directors have, at the time of approving the financial statements, a reasonable expectation that the company and the group has adequate resources to continue in operational existence for at least the next 12 months from the date of approval of these financial statements. The going concern basis of accounting has therefore been adopted in preparing the financial statements. Further details are contained in the Directors' report on pages 23 to 25.

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 or amended Accounting Standards and Interpretations adopted
The group has adopted all of the new or amended 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 or amended 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 2018 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.

Note 2. Significant accounting policies (continued)

Intercompany transactions, balances and unrealised gains on transactions between entities in the group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The acquisition of 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 reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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

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

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, 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.

Note 2. Significant accounting policies (continued)

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

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

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

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and tax 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 12 months after the reporting period. All other liabilities are classified as non-current.

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

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. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the balance sheet.

Note 2. Significant accounting policies (continued)

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.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

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

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 obsolete or slow-moving 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.

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

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

Trade and other payables
These amounts represent liabilities for goods and services provided to the 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.

Note 2. Significant accounting policies (continued)

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. 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 high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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.

Note 2. Significant accounting policies (continued)

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

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

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.

Note 2. Significant accounting policies (continued)

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. Diluted earnings per share is not calculated if anti-dilutive.

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 2018. 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 IFRS 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 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. It 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.

Whilst the Company is finalising the impact of the new standard, the change is not expected to have a significant impact on the financial statements.

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 and the impact of its adoption will be that operating leases, such as those detailed in note 32 as commitments under IAS 17, will be brought onto the balance sheet as an asset and liability at the net present value of the lease commitments, based on the transitional provisions of the standard. The actual amount will depend on the operating leases held on the date of adoption and any transitional elections made. To date, work has focused on the identification of the provisions of the standard which will most impact the group and the next phase is a detailed review of the contracts and the financial reporting impact of IAS 16. Whilst the standard will not be included in the financial statements until 2020, the impact of the standard will have a material impact. We continue to assess the full impact.

IASB revised Conceptual Framework for Financial Reporting
The revised framework is applicable for annual reporting periods beginning on or after 1 January 2020 and the application of the new definition and recognition criteria may result in future amendments to several accounting standards. Furthermore, entities who rely on the conceptual framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under International Financial Reporting Standards may need to revisit such policies. The group will apply the revised conceptual framework from 1 July 2020 and is yet to assess its impact.

Note 2. Significant accounting policies (continued)

Other standards and interpretations
The directors have also reviewed all other new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2018. As a result of this review the directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the group and, therefore, no change is necessary to group accounting policies. These accounting policies are consistent with International Financial Reporting Standards.

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.

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 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 during the financial year ended 30 June 2018 (2017: 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 tax 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 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 country's 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 2018 there were no major customers (2017: none). A customer is considered major if its revenues are 10% or more of the group's revenue.

Operating segment information

- 2018	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	242,365	33,360	16,479	292,204
Total revenue	242,365	33,360	16,479	292,204
Gross profit	72,920	8,896	3,877	85,693
Other operating loss, net				(1,364)
Selling and distribution expenses				(51,047)
Administration expenses				(34,713)
Finance income				10
Finance costs				(271)
Loss before income tax benefit				(1,692)
Income tax benefit				1,640
Loss after income tax benefit				(52)

Note 4. Operating segments (continued)

- 2017	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	221,451	33,806	13,130	268,387
Total revenue	221,451	33,806	13,130	268,387
Gross profit	65,662	8,058	2,323	76,043
Other operating loss, net				(1,334)
Selling and distribution expenses				(44,040)
Administration expenses				(32,109)
Finance income				105
Finance costs				(223)
Loss before income tax benefit				(1,558)
Income tax benefit				576
Loss after income tax benefit				(982)

Note 5. Other operating loss, net

	2018 A$'000	2017 A$'000
Net foreign exchange loss	(1,408)	(1,425)
Net gain on disposal of property, plant and equipment	17	15
Other income	27	76
Other operating loss, net	(1,364)	(1,334)

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

	2018 A$'000	2017 A$'000
EBITDA reconciliation		
Loss before income tax	(1,692)	(1,558)
Less: Interest income	(10)	(105)
Add: Interest expense	271	223
Add: Depreciation and amortisation	6,576	5,275
EBITDA	5,145	3,835

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

	2018 A$'000	2017 A$'000
Underlying EBITDA reconciliation		
EBITDA	5,145	3,835
Share-based payments	878	1,132
Reorganisation and discontinued operations	190	320
One-off costs of non-trading, non-recurring nature including acquisition expenses	3,588	2,434
Unrealised foreign exchange loss	1,950	953
Underlying EBITDA	11,751	8,674

Note 7. Expenses

	2018 A$'000	2017 A$'000
Loss before income tax includes the following specific expenses:		
Sales, distribution and administration expenses:		
Staff costs (note 8)	37,559	34,254
Marketing expenses	22,258	18,119
Occupancy costs	6,148	5,575
Merchant and other professional fees	7,853	5,764
Depreciation and amortisation	6,576	5,275
Other administration costs	5,366	7,162
Total sales, distribution and administration expenses	85,760	76,149
Finance costs		
Interest and finance charges paid/payable	271	223
Occupancy costs include:		
Minimum operating lease payments	5,068	4,568
Cost of inventories recognised as an expense in 'cost of sales' in profit or loss	159,939	152,426

Note 8. Staff costs

	2018 A$'000	2017 A$'000
Aggregate remuneration:		
Wages and salaries	30,245	27,064
Social security costs	2,648	2,380
Long term employee incentive plan	878	1,297
Other staff costs and benefits	3,788	3,513
Total staff costs	37,559	34,254

	2018	2017
The average monthly number of employees (including executive directors and those on a part-time basis) was:		
Sales and distribution	200	363
Administration	271	181
	471	544

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 benefit

	2018 A$'000	2017 A$'000
Income tax benefit		
Current tax	842	624
Deferred tax - origination and reversal of temporary differences	(2,237)	(397)
Adjustment recognised for prior years	(245)	(803)
Aggregate income tax benefit	(1,640)	(576)
Deferred tax included in income tax benefit comprises:		
Increase in deferred tax assets (note 16)	(2,237)	(397)
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(1,692)	(1,558)
Tax at the statutory tax rate of 30%	(508)	(467)
Effect of overseas tax rates	(293)	183
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	32	22
Tax-exempt income	(40)	-
	(809)	(262)
Prior year tax losses not recognised now recognised	(524)	-
Change in recognised deductible temporary differences	(8)	-
Adjustment recognised for prior periods	(299)	(314)
Income tax benefit	(1,640)	(576)

The tax rates of the main jurisdictions are Australia 30% (2017: 30%), Singapore 17% (2017: 17%), New Zealand 28% (2017: 28%), United Kingdom 19% (2017: 20%) and United States 42.8% (2017: 42.8%).

Note 10. Current assets - cash and cash equivalents

	2018 A$'000	2017 A$'000
Cash at bank	6,573	12,314
Bank deposits at call	197	6,713
	6,770	19,027

Reconciliation to cash and cash equivalents at the end of the financial year
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

	2018 A$'000	2017 A$'000
Balances as above	6,770	19,027
Bank overdraft (note 18)	(7,708)	-
Balance as per statement of cash flows	(938)	19,027

Note 11. Current assets - trade and other receivables

	2018 A$'000	2017 A$'000
Trade receivables	29,780	16,800
Less: Provision for impairment of receivables	(311)	(86)
	29,469	16,714
Other receivables	385	237
	29,854	16,951

Trade receivables include uncleared cash receipts due from online customers which amounted to A$4,996,000 (2017: A$2,515,000).

Impairment of receivables
The group has recognised a loss of A$225,000 (2017: A$86,000) in profit or loss in respect of impairment of receivables for the year ended 30 June 2018.

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

	2018 A$'000	2017 A$'000
Opening balance	86	-
Additional provisions recognised	225	86
Closing balance	311	86

Past due but not impaired
Customers with balances past due but without provision for impairment of receivables amount to A$4,339,000 as at 30 June 2018 (A$751,000 as at 30 June 2017).

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

	2018 A$'000	2017 A$'000
3 to 6 months past due	4,339	751

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

	2018 A$'000	2017 A$'000
Goods for resale	36,476	35,403
Obsolete and slow-moving inventory provision	(529)	(895)
	35,947	34,508
Stock in transit	2,723	3,534
	38,670	38,042

Write-downs of inventories to net realisable value recognised as an expense during the year ended 30 June 2018 amounted to A$275,000 (2017: A$281,000). This expense has been included in 'cost of sales' in profit or loss.

Note 13. Current assets - other

	2018 A$'000	2017 A$'000
Prepayments	1,339	1,419
Prepaid inventory	2,237	3,030
Other deposits	316	333
Other current assets	65	167
	3,957	4,949

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

	2018 A$'000	2017 A$'000
Leasehold improvements - at cost	1,697	1,408
Less: Accumulated depreciation	(1,085)	(901)
	612	507
Plant and equipment - at cost	5,633	5,064
Less: Accumulated depreciation	(4,323)	(3,725)
	1,310	1,339
Fixtures and fittings - at cost	1,331	1,313
Less: Accumulated depreciation	(894)	(712)
	437	601
Motor vehicles - at cost	515	516
Less: Accumulated depreciation	(303)	(252)
	212	264
	2,571	2,711

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 2016	209	1,467	497	53	2,226
Additions	477	154	306	286	1,223
Additions through business combinations	-	489	-	-	489
Disposals	(7)	(5)	(12)	(25)	(49)
Exchange differences	(3)	(37)	(1)	-	(41)
Depreciation expense	(169)	(729)	(189)	(50)	(1,137)
Balance at 30 June 2017	507	1,339	601	264	2,711
Additions	278	545	39	-	862
Disposals	-	(36)	-	(2)	(38)
Exchange differences	(3)	29	(14)	3	15
Depreciation expense	(170)	(567)	(189)	(53)	(979)
Balance at 30 June 2018	612	1,310	437	212	2,571

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 32 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

	2018 A$'000	2017 A$'000
Goodwill - at cost	24,043	24,019
Customer relationships - at cost	3,841	3,519
Less: Accumulated amortisation	(3,236)	(2,593)
	605	926
Software - at cost	21,280	13,824
Less: Accumulated amortisation	(9,232)	(5,202)
	12,048	8,622
ERP system	5,276	4,436
Less: Accumulated amortisation	(3,430)	(2,431)
	1,846	2,005
	38,542	35,572

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 2016	21,504	1,976	3,916	2,369	29,765
Additions	-	-	6,851	492	7,343
Additions through business combinations	2,515	124	-	-	2,639
Disposals	-	-	(3)	-	(3)
Exchange differences	-	(33)	(9)	8	(34)
Amortisation expense	-	(1,141)	(2,133)	(864)	(4,138)
Balance at 30 June 2017	24,019	926	8,622	2,005	35,572
Additions	-	251	7,451	841	8,543
Exchange differences	24	-	-	-	24
Amortisation expense	-	(572)	(4,025)	(1,000)	(5,597)
Balance at 30 June 2018	24,043	605	12,048	1,846	38,542

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:

	2018 A$'000	2017 A$'000
Online flash	19,683	19,659
Online retail	4,360	4,360
	24,043	24,019

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:

	2018 %	2017 %
Budgeted gross margin	29.9%	29.5%
Five year compound growth rate	10.0%	11.0%
Long term growth rate	2.0%	2.0%
Pre-tax discount rate	9.0%	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$218,402,000.

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

Online retail

Key assumptions used in value-in-use calculation

	2018 %	2017 %
Budgeted gross margin	22.7%	22.7%
Five year compound growth rate	(2.0%)	(10.0%)
Long term growth rate	2.0%	2.0%
Pre-tax discount rate	9.0%	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$14,825,000.

Note 16. Non-current assets - deferred tax

	2018 A$'000	2017 A$'000
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	9,692	8,876
Accrued expenses	1,281	485
Provisions	996	784
Sundry	292	673
Property, plant and equipment	61	4
Intangibles	(181)	(278)
Deferred tax asset	12,141	10,544
Movements:		
Opening balance	10,544	10,295
Credited to profit or loss (note 9)	2,237	397
Exchange loss	(640)	(148)
Closing balance	12,141	10,544

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

	2018 A$'000	2017 A$'000
Trade payables	19,879	23,518
Other payables and accruals	7,663	4,450
Sales tax payable	2,481	618
	30,023	28,586

Refer to note 26 for further information on financial instruments.

Note 18. Current liabilities - borrowings

	2018 A$'000	2017 A$'000
Bank overdraft	7,708	-
Bank loans	5,200	5,200
Bank loans under interchangeable facilities	-	4,775
Finance lease liability	90	39
	12,998	10,014

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

	2018 A$'000	2017 A$'000
Employee benefits provision	1,463	1,115
Lease make good provision	135	173
Gift voucher provision	535	433
Sales returns provision	683	562
	2,816	2,283

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.

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

- 2018	Lease make good provision A$'000	Gift vouchers provision A$'000	Sales returns provision A$'000
Carrying amount at the start of the year	173	433	562
Additional provisions recognised	-	535	683
Amounts used	(40)	(433)	(562)
Foreign exchange differences	2	-	-
Carrying amount at the end of the year	135	535	683

Note 20. Non-current liabilities - borrowings

	2018 A$'000	2017 A$'000
Finance lease liability	54	143

Refer to note 26 for further information on financial instruments.

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

	2018 A$'000	2017 A$'000
Bank overdraft	7,708	-
Bank loans	5,200	5,200
Bank loans under interchangeable facilities	-	4,775
Finance lease liability	144	182
	13,052	10,157

The group has a A$28,105,000 (2017: A$13,120,000) total borrowing facility with Hong Kong and Shanghai Banking Corporation Plc ('HSBC') which is secured by a Corporate Guarantee and Indemnity. There are no financial covenants in relation to this total borrowing facility.

In 2017, the group had A$11,576,000 borrowing facility with Australia and New Zealand Banking Group Limited ('ANZ') which was secured by a Corporate Guarantee and Indemnity. The group was required to comply with certain covenants in relation to this facility.

Assets pledged as security
All bank borrowings of the group are secured by a Corporate Guarantee and Indemnity. The average interest rate incurred on these bank borrowings was 2.75% (2017: 2.59%). 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:

	2018 A$'000	2017 A$'000
Cash and cash equivalents	5,200	5,200

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

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

	2018 A$'000	2017 A$'000
Total facilities		
Bank overdraft	10,262	-
Bank loans and overdrafts	5,200	5,200
Bank guarantees	1,537	3,096
Bank loans under interchangeable facilities	11,106	16,400
	28,105	24,696
Used at the reporting date		
Bank overdraft	7,708	-
Bank loans and overdrafts	5,200	5,200
Bank guarantees	1,537	1,405
Bank loans under interchangeable facilities	-	4,775
	14,445	11,380
Unused at the reporting date		
Bank overdraft	2,554	-
Bank loans and overdrafts	-	-
Bank guarantees	-	1,691
Bank loans under interchangeable facilities	11,106	11,625
	13,660	13,316

Note 21. Non-current liabilities - provisions

	2018 A$'000	2017 A$'000
Employee benefits provision	272	332

Long term incentive plan
Refer to note 36 for details on the long term incentive plan.

Note 22. Equity - share capital

	2018 Shares	2017 Shares	2018 A$'000	2017 A$'000
Ordinary shares £nil each (2017: £nil) - issued and fully paid	154,331,652	151,331,652	-	-

Authorised share capital
200,000,000 (2017: 200,000,000) ordinary shares of £nil each.

The increase on the ordinary shares happened at the beginning of the year, on 1 July 2017.

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 22. Equity - share capital (continued)

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.

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.

The capital risk management policy remains unchanged from the 30 June 2017 Annual Report.

Note 23. Equity - other reserves

	2018 A$'000	2017 A$'000
Foreign currency reserve	3,458	2,187
Hedging reserve - cash flow hedges	38	(788)
Share-based payments reserve	6,277	5,399
Capital reorganisation reserve	(132,756)	(132,756)
	(122,983)	(125,958)

Foreign currency 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 2016	3,938	(1,047)	4,102	(132,756)	(125,763)
Foreign currency translation	(1,751)	-	-	-	(1,751)
Cash flow hedge	-	259	-	-	259
Share-based payments	-	-	1,297	-	1,297
Balance at 30 June 2017	2,187	(788)	5,399	(132,756)	(125,958)
Foreign currency translation	1,271	-	-	-	1,271
Cash flow hedge	-	826	-	-	826
Share-based payments	-	-	878	-	878
Balance at 30 June 2018	3,458	38	6,277	(132,756)	(122,983)

Note 24. Equity - non-controlling interests

	2018 A$'000	2017 A$'000
Accumulated losses	(20)	(20)

The non-controlling interests has a 40% equity holding in Invite to Buy, 40% in Chic Global Limited and 49% in Simply Send H Pty Limited.

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.

Note 26. Financial instruments (continued)

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.

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	
	2018 A$'000	2017 A$'000	2018 A$'000	2017 A$'000
US dollars	1,671	1,333	522	2,368
Euros	17,127	13,314	820	6,702
Pound sterling	9,338	5,130	8,301	1,093
New Zealand dollars	619	1,702	778	1,130
Singapore dollars	308	1,022	26	5
Malaysian ringgit	24	697	3	-
Chinese Yuan	287	-	-	-
Others	59	2	58	49
	29,433	23,200	10,508	11,347

The group had net assets denominated in foreign currencies of A$18,925,000 as at 30 June 2018 (2017: A$11,853,000). Based on this exposure, had the Australian dollar weakened by 10% / strengthened by 10% (2017: 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$1,893,000 lower / higher (2017: A$1,185,000 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 loss for the year ended 30 June 2018 was A$1,408,000 (2017: A$1,425,000).

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.

The principal business of the group is online cash sales. The group adopts the policy of dealing with customers of appropriate credit history in relation to its online sales and wholesale business.

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.

Note 26. Financial instruments (continued)

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.

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:

	2018 A$'000	2017 A$'000
Bank overdraft	2,554	-
Bank guarantees	-	1,691
Bank loans under interchangeable facilities	11,106	11,625
	13,660	13,316

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.

- 2018	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	-	27,542	-	-	27,542
Interest-bearing - variable					
Bank overdraft	2.75%	7,708	-	-	7,708
Bank loans	3.08%	5,200	-	-	5,200
Lease liability	7.20%	92	56	-	148
Total non-derivatives		40,542	56	-	40,598

Note 26. Financial instruments (continued)

- 2017	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	-	27,968	-	-	27,968
Interest-bearing - variable					
Bank loans	2.59%	9,975	-	-	9,975
Lease liability	7.20%	51	149	-	200
Total non-derivatives		37,994	149	-	38,143
Derivatives					
Forward foreign exchange contracts net settled	-	788	-	-	788
Total derivatives		788	-	-	788

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)

- 2018	Level 1 A$'000	Level 2 A$'000	Level 3 A$'000	Total A$'000
Assets				
Derivative financial instruments	-	38	-	38
Total assets	-	38	-	38

- 2017	Level 1 A$'000	Level 2 A$'000	Level 3 A$'000	Total A$'000
Liabilities				
Derivative financial instruments	-	788	-	788
Total liabilities	-	788	-	788

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. Changes in liabilities arising from financing activities

	Bank loans A$'000	Bank loans under interchange-able facilities A$'000	Finance lease liability A$'000	Total A$'000
Balance at 1 July 2016	5,200	1,212	64	6,476
Net cash from financing activities	-	3,563	118	3,681
Balance at 30 June 2017	5,200	4,775	182	10,157
Net cash used in financing activities	-	(4,775)	(38)	(4,813)
Balance at 30 June 2018	5,200	-	144	5,344

Note 29. 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:

	2018 A$'000	2017 A$'000
Short-term employee benefits	1,911	1,616
Post-employment benefits	135	117
	2,046	1,733

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

During the financial year ended 30 June 2018 A$nil (2017: A$nil) performance rights were granted to members of key management personnel under share-based payments plans operated by the group as disclosed in note 36.

Note 30. 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, PricewaterhouseCoopers, at costs as detailed below:

	2018 A$'000	2017 A$'000
Fees payable to the company's auditor and its associates for the audit of the consolidated financial statements	228	190
Fees payable to the company's auditor and its associates for other services:		
- the audit of the company's subsidiaries	193	207
- taxation services	111	132
- other non-audit services	598	74
	1,130	603

Note 31. Contingent liabilities

The group has issued a bank guarantee through its banker ANZ Bank New Zealand Limited, in respect of customs and duties obligations amounting to NZ$150,000 (2017: NZ$150,000).

The group issued bank guarantees through its banker, Hong Kong and Shanghai Banking Corporation, in respect of lease obligations amounting to A$979,000 (2017: A$979,000).

Note 32. Commitments

	2018 A$'000	2017 A$'000
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	3,987	3,324
One to five years	7,681	9,138
More than five years	314	-
	11,982	12,462
Lease commitments - finance		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	92	51
One to five years	56	149
Total commitment	148	200
Less: Future finance charges	(4)	(18)
Net commitment recognised as liabilities	144	182
Representing:		
Finance lease liability - current (note 18)	90	39
Finance lease liability - non-current (note 20)	54	143
	144	182
Sub-lease receivable - operating		
Committed at the reporting date but not recognised as assets, receivables:		
Within one year	-	269
One to five years	-	289
	-	558

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 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 motor vehicles held under finance leases are A$144,000 (2017: A$182,000) at the reporting date.

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

Note 33. 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.

Key management personnel
Disclosures relating to key management personnel are set out in note 29.

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

	2018 A$'000	2017 A$'000
Sale of goods and services:		
Sale of goods to other related party (Arcadia and Sports Direct)	509	3,074
Sale of rent and freight services to other related party (recharges of payment)	-	522
Payment for goods and services:		
Purchase of goods from other related party	7,679	1,782

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

	2018 A$'000	2017 A$'000
Current receivables:		
Trade receivables from other related party	294	2,200
Current payables:		
Trade payables to other related party	840	1,452

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 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 2018 %	Ownership interest 2017 %	Ownership interest 2018 %	Ownership interest 2017 %
APAC Sale Group Pte. Ltd.	3 Fusionopolis Link #02-08 Nexus@one-north, Singapore	Trading company	100%	100%	-	-
APAC Sale Italy s.r.l	Impruneta (Florence), via Di Colle Ramole 11, 50023, Bottai, Italy	Trading company	100%	100%	-	-
APAC Sales Group, Inc.	1107 S Boyle Street, Los Angeles, CA 90023, U.S.A		100%	100%	-	-
APAC UK Procurement Co Limited	1 Brunel Road, Earlstrees Industrial Estate, Corby, Northants, NN17 4JW, UK	Trading company	100%	100%	-	-
APACSale Limited	The Old Mill, 9 Soar Lane, Leicester, LE3 5DE, UK	Trading company	100%	100%	-	-
BuyInvite Pty Limited	3/120 Old Pittwater Road, Brookvale, 2100, Australia	Trading company	100%	100%	-	-
Cocosa Lifestyle Limited	1 Brunel Road, Earlstrees Industrial Estate, Corby, Northants, NN17 4JW, UK	Trading company	100%	100%	-	-
NZ Sale Limited	25 Barrys Point Road, Takapuna Auckland 0632, NZ	Trading company	-	-	-	-
Ozsale Pty Limited	3/120 Old Pittwater Road, Brookvale, 2100, Australia	Trading company	100%	100%	-	-
Ozsale Sdn. Bhd.	29-3, Block F2, Jalan PJU1/42A, Dataran Prima, 47301 Petaling Jaya, Selangor, Malaysia	Trading company	100%	100%	-	-
Private Sale Asia Pacific Pte Ltd	3 Anson Road, #27-01 Springleaf Tower, Singapore	Trading company	100%	100%	-	-
Simply Sent It Pty Limited	Unit 5, 111 Old Pittwater Road, Brookvale, 2100, Australia	Trading company	51%	51%	49%	49%

Note 34. Interests in subsidiaries (continued)

Name	Principal place of business / Country of incorporation	Principal activities	Parent Ownership interest 2018 %	Parent Ownership interest 2017 %	Non-controlling interest Ownership interest 2018 %	Non-controlling interest Ownership interest 2017 %
Singsale Pte. Ltd.	3 Fusionopolis Link #02-08 Nexus@one-north, Singapore	Trading company	100%	100%	-	-
Brand Search Pty Limited	3/120 Old Pittwater Road, Brookvale, 2100, Australia	Trading company	100%	100%	-	-
Chic Global Limited	1 Brunel Road, Earlstrees Industrial Estate Corby, Northamptonshire, United Kingdom, NN17 4JW	Trading company	100%	60%	-	40%
BuyInvite NZ Pty Limited	Unit 5, 111 Old Pittwater Road, Brookvale, 2100, Australia	Dormant	100%	100%	-	-
Click Frenzy Australia Pty Ltd	Unit 5, 111 Old Pittwater Road, Brookvale, 2100, Australia	Dormant	100%	100%	-	-
NZ Wine Limited	25 Barrys Point Road, Takapuna Auckland 0632, NZ	Dormant	100%	100%	-	-
Ourpay Ltd (formerly My Trade Ltd)	The Old Mill 9 Soar Lane Leicester, Leicestershire, LE3 5DE, UK	Dormant	100%	100%	-	-
MySale Group Limited	Hong Kong Unit 5, 111 Old Pittwater Road, Brookvale, 2100, Australia	Dormant	100%	100%	-	-
Handelsselskabet (Invite to buy)	1 September 2008 ApS, c/o Accura Advokatpartnerselskab Tuborg Boulevard 1 2900 Hellerup, Denmark	Trading company	60%	60%	40%	40%
Branch of Click Frenzy Australia Pty Ltd	Russia Unit 5, 111 Old Pittwater Road, Brookvale, 2100, Australia	Trading company	100%	100%	-	-
Ozsale Philippine Branch	5J Westgate Tower, Investment Drive, Madrigal Business Park, Muntinlupa City, Philippines 1780	Dormant	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. Earnings per share

	2018 A$'000	2017 A$'000
Loss after income tax attributable to the owners of MySale Group Plc	(52)	(982)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	154,331,652	151,331,652
Weighted average number of ordinary shares used in calculating diluted earnings per share	154,331,652	151,331,652

	Cents	Cents
Basic earnings per share	(0.03)	(0.65)
Diluted earnings per share	(0.03)	(0.65)
Underlying basic earnings per share	4.25	2.50

8,047,850 (2017: 8,615,909) employee long term incentives have been excluded from the 2018 diluted earnings calculation as they are anti-dilutive for the year.

Note 36. Share-based payments

The company has two employee share plans; (1) the Executive Incentive Plan ('EIP') and (2) the Loan Share Plan ('LSP'). In accordance with the terms of each plan 100% of the ordinary shares will vest three years from grant date subject to the achievement of the Underlying Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA') included in the company's internal forecasts set by the Board in the year of the grant.

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:

2018

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	16/06/2019 **	£2.26	111,499	-	-	-	111,499
18/08/2015	18/08/2020 **	£0.51	2,027,806	-	-	(329,991)	1,697,815
18/08/2015	18/08/2020 *	£0.51	400,021	-	-	(109,488)	290,533
27/07/2015	27/07/2020 **	£0.53	3,000,000	-	-	-	3,000,000
19/08/2016	19/08/2021 **	£0.65	1,959,599	-	-	(90,617)	1,868,982
19/08/2016	19/08/2021 *	£0.65	1,116,984	-	-	(758,291)	358,693
19/08/2017	19/08/2022 **	£1.15	-	449,314	-	-	449,314
19/08/2017	19/08/2022 *	£1.15	-	271,014	-	-	271,014
			8,615,909	720,328	-	(1,288,387)	8,047,850

* EIP - Options
** LSP

Note 36. Share-based payments (continued)

2017

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	16/06/2019 **	£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
19/08/2016	19/08/2021 **	£0.65	-	1,959,599	-	-	1,959,599
19/08/2016	19/08/2021 *	£0.65	-	1,116,984	-	-	1,116,984
			5,539,326	3,076,583	-	-	8,615,909

* EIP - Options
** LSP

The weighted average remaining contractual life of the share plan outstanding at the end of the financial year was 4 years (2017: 4 years).

The share-based payment expense for the year was A$878,000 (2017: A$1,297,000).

At the end of the year there were only 111,499 shares exercisable at their weighted average exercise price of £2.26.

Note 37. Events after the reporting period

No matter or circumstance has arisen since 30 June 2018 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	2018 A$'000	2017 A$'000
Fixed assets			
Tangible assets	4	135	183
Investment in subsidiaries	5	162,771	162,771
Deferred tax		590	359
Total fixed assets		163,496	163,313
Current assets			
Debtors - amounts falling due within one year	6	24,917	14,753
Cash at bank and in hand	7	-	2,085
Total current assets		24,917	16,838
Current liabilities			
Creditors - amounts falling due within one year	8	1,023	1,042
Bank overdraft and lease liability	9	7,785	96
Total current liabilities		8,808	1,138
Net current assets		16,109	15,700
Total assets less current liabilities		179,605	179,013
Net assets		179,605	179,013
Equity			
Called up share capital	10	-	-
Share premium account		306,363	306,363
Other reserves	11	(123,712)	(125,490)
Accumulated losses	12	(3,046)	(1,860)
Total equity		179,605	179,013

In accordance with Companies (GAAP)(Jersey) Order 2010 and Article 105(2)(a) of the Companies (Jersey) Law 1991 the company has adopted United Kingdom Generally Accepted Accounting Principles and has elected to take the exemptions available to it not to present its own profit and loss account. The company reported a loss for the financial year ended 30 June 2018 of A$1,186,000 (2017: A$185,000).

The financial statements of MySale Group Plc (company number 115584 (Jersey)) were approved by the Board of Directors and authorised for issue on 8 October 2018. 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 2016	306,363	(125,657)	(1,675)	179,031
Loss after income tax expense for the year	-	-	(185)	(185)
Other comprehensive income for the year, net of tax	-	(1,130)	-	(1,130)
Total comprehensive income for the year	-	(1,130)	(185)	(1,315)
Transactions with owners in their capacity as owners:				
Share-based payments	-	1,297	-	1,297
Balance at 30 June 2017	306,363	(125,490)	(1,860)	179,013

	Share premium account A$'000	Other reserves A$'000	Accumulated losses A$'000	Total equity A$'000
Balance at 1 July 2017	306,363	(125,490)	(1,860)	179,013
Loss after income tax benefit for the year	-	-	(1,186)	(1,186)
Other comprehensive income for the year, net of tax	-	900	-	900
Total comprehensive income for the year	-	900	(1,186)	(286)
Transactions with owners in their capacity as owners:				
Share-based payments	-	878	-	878
Balance at 30 June 2018	306,363	(123,712)	(3,046)	179,605

Note 1. General information

MySale Group Plc (the 'company' or 'parent entity') is a public company, limited by shares, listed on the AIM (Alternate Investment Market), a sub-market of the London Stock Exchange. The company is incorporated and registered in Jersey under the Companies (Jersey) Law 1991 (required for Companies House disclosure). The company is domiciled in Australia.

The registered office of the company is Ogier House, The Esplanade, 44 Esplanade Street, St. Helier, JE4 9WG, Jersey and principal place of business is at 3/120 Old Pittwater Road, Brookvale, NSW 2100, Australia.

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 dollars.

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.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 8 October 2018. 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.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended 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 or amended 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 requirements of 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:
    i. 10(d) statement of cash flows;
    ii. 16 statement of compliance with all IFRS;
    iii. 38A requirement for minimum of two primary statements, including cash flow statements;
    iv. 38B-D additional comparative information;
    v. 111 cash flow statement information; and
    vi. 134-136 capital management disclosures.
(f) IAS 7 'Statement of Cash Flows'; and
(g) IAS 24 'Related Party Disclosures'.

In accordance with Companies (GAAP)(Jersey) Order 2010 and Article 105(2)(a) of the Companies (Jersey) Law 1991 the company has adopted United Kingdom Generally Accepted Accounting Principles and has elected to take the exemptions available to it not to present its own profit and loss account. The company reported a loss for the financial year ended 30 June 2018 of A$1,186,000 (2017: A$185,000).

Note 2. Significant accounting policies (continued)

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.

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 company'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.

Foreign currency translation

Foreign currency transactions
Foreign currency transactions are translated into Pounds Sterling 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 and receivables, including amounts owed by other group undertakings, 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 other group undertakings are unsecured, non-interest bearing, have no fixed date of repayment and are repayable on demand.

Note 2. Significant accounting policies (continued)

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
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.

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.

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.

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. 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.

Impairment of non-financial assets including investments in subsidiaries
The group assesses impairment of non-financial assets including investments in subsidiaries 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 company 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 company recognises liabilities for anticipated tax audit issues based on the company'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 company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 4. Fixed assets - tangible assets

	2018 A$'000	2017 A$'000
Leasehold improvements - at cost	74	71
Less: Accumulated depreciation	(57)	(40)
	17	31
Plant and equipment - at cost	18	17
Less: Accumulated depreciation	(13)	(9)
	5	8
Fixtures and fittings - at cost	105	99
Less: Accumulated depreciation	(81)	(57)
	24	42
Motor vehicles - at cost	121	115
Less: Accumulated depreciation	(32)	(13)
	89	102
	135	183

Note 5. Fixed assets - investment in subsidiaries

	2018 A$'000	2017 A$'000
Investment in APAC Sale Group Pte. Ltd. - at cost	106,403	106,403
Investment in Ozsale Pty. Ltd. - at cost	56,368	56,368
	162,771	162,771

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

Note 6. Current assets - debtors - amounts falling due within one year

	2018 A$'000	2017 A$'000
Other receivables	213	144
Amounts owed by other group undertakings	24,704	14,609
	24,917	14,753

Note 7. Current assets - cash at bank and in hand

	2018 A$'000	2017 A$'000
Cash at bank	-	2,085

Note 8. Current liabilities - Creditors - amounts falling due within one year

	2018 A$'000	2017 A$'000
Trade payables	140	234
Accruals	400	405
Sales tax payable	483	403
	1,023	1,042

Note 9. Current liabilities - bank overdraft and lease liability

	2018 A$'000	2017 A$'000
Bank overdraft	7,708	-
Finance lease liability	77	96
	7,785	96

Note 10. Equity - called up share capital

	2018 Shares	2017 Shares	2018 A$'000	2017 A$'000
Ordinary shares £nil each - issued and fully paid	154,331,652	151,331,652	-	-

Authorised share capital
200,000,000 (2017: 200,000,000) ordinary shares of £nil each.

The increase on the ordinary shares happened at the beginning of the year, on 1 July 2017.

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 11. Equity - other reserves

	2018 A$'000	2017 A$'000
Foreign currency reserve	2,767	1,867
Share-based payments reserve	6,277	5,399
Capital reorganisation reserve	(132,756)	(132,756)
	(123,712)	(125,490)

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 Sale Group Pte Ltd (refer share premium account) 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 2016	2,997	4,102	(132,756)	(125,657)
Foreign currency translation	(1,130)	-	-	(1,130)
Share-based payments	-	1,297	-	1,297
Balance at 30 June 2017	1,867	5,399	(132,756)	(125,490)
Foreign currency translation	900	-	-	900
Share-based payments	-	878	-	878
Balance at 30 June 2018	2,767	6,277	(132,756)	(123,712)

Note 12. Equity - accumulated losses

	2018 A$'000	2017 A$'000
Accumulated losses at the beginning of the financial year	(1,860)	(1,675)
Loss after income tax benefit for the year	(1,186)	(185)
Accumulated losses at the end of the financial year	(3,046)	(1,860)

Note 13. Contingent liabilities

The company had no contingent liabilities as at 30 June 2018 and 30 June 2017.

Note 14. Commitments

	2018 A$'000	2017 A$'000
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	480	360
One to five years	31	390
	511	750

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

Note 15. Remuneration of auditors

Services provided by the company's auditors and network firms

During the year the company obtained the following services from the company's auditors, PricewaterhouseCoopers, at costs as detailed below:

	2018 A$'000	2017 A$'000
Fees payable to the company's auditor and its associated for the audit of the financial statements	228	120

Note 16. Events after the reporting period

No matter or circumstance has arisen since 30 June 2018 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 fifth Annual General Meeting (AGM) of MySale Group plc (MySale or the Company) will be held at 120 Old Pittwater Road, Brookvale, NSW 2100, Australia on Monday 3 December 2018 commencing at 19.30 Australian Eastern Daylight Time (AEDT) (08.30 GMT) to consider and, if thought fit, to pass resolutions 1 to 4 (inclusive) as ordinary resolutions and resolutions 5 to 7 (inclusive) as special resolutions.

Resolutions

Ordinary Resolutions

1. **Financial statements for the year ended 30 June 2018**

   To receive the Company's Annual Report and Accounts for the financial year ended 30 June 2018 together with the Reports of the Directors and Auditor thereon.

2. **Re-appointment of the auditor**

   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 Carl Jackson 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 Charles Butler as a Director in accordance with Articles 7.2 and 7.9 - 7.12 of the Articles.

Special Resolutions

5. **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 5(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 9 November 2018[1], being the latest practicable date before publication of this notice,

   provided further that such power shall expire at the conclusion of the Company's next Annual General Meeting 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 5(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.

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

THAT, in addition to any authority granted under Resolution 5 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 on 9 November 2018, 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 next Annual General Meeting 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).

7. **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 9 November 2018, 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 next Annual General Meeting 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 7 as treasury shares.

By order of the Board

Prism CoSec Limited
Company Secretary, MySale Group plc

9 November 2018

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 29 November 2018 (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 29 November 2018 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 fifth AGM will be held at 19.30 Australian Eastern Daylight Time (08.30 GMT) on 3 December 2018. 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 Transfer Agent, Neville Registrars Limited on 0121 585 1131. Lines are open Monday to Friday 9.00am to 5.00pm. 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 Transfer Agent, Neville Registrars Limited Neville House, Steelpark Road, Halesowen B62 8HD or (ii) members may submit their proxies online at www.sharegateway.co.uk using their personal proxy registration code (Activity Code) as shown on the Form of Proxy, in each case by no later than 19.30 AEDT/08.30 GMT on 29 November 2018, 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 7RA11) by no later than 19.30 AEDT/08.30 GMT on 29 November 2018. 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 9 November 2018, being the latest practicable date prior to the publication of this Notice, the Company had 154,331,652 shares in issue. The Company does not hold any shares in treasury. However 3,000,000 shares are held within the Company's Employee Benefit Trust and all voting rights in those shares have been waived. Therefore, the total voting rights in the Company as at 9 November 2018 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 4 (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 and 4 **Re-election of Directors**

The Company's Articles of Association require one-third of the Directors to retire by rotation at the AGM. Directors retiring by rotation may, if they wish, stand for re-election. Accordingly, this year, Carl Jackson and Charles Butler will retire by rotation at the AGM and will offer themselves for re-election as Directors. Biographical details of each of the Directors can be found in the Annual Report and Accounts.

Special Resolutions

Resolutions 5 to 7 (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.

5 **Disapplication of Pre-Emption Rights – general**

In relation to Resolution 5, 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 5 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 5 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 next annual general meeting or fifteen months following the passing of this resolution, whichever is the earlier.

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

Resolution 6 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 6, 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 provide the Company with the necessary flexibility to take advantage of business opportunities as they arise.

7 **Authority to buy back Shares**

Resolution 7 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 9 November 2018, 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 7 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 annual general meeting or fifteen months after the resolution is passed, whichever is sooner.


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