APPENDIX 4E
WiseTech Global Limited
For the year ended 30 June 2016

Results for announcement to the market

Reported				$000
Revenue from ordinary activities	Up	47%	to	102,809
Profit from ordinary activities after tax attributable to members	Down	79%	to	2,167
Net profit for the period attributable to members	Down	79%	to	2,167

Dividends - Ordinary shares	Amount per security	Franked amount per security	Payment date
FY15 final dividend	0.91 cents	0.91 cents	30 September 2015
FY16 interim dividend	0.60 cents	0.60 cents	4 April 2016

No final dividend has been declared in respect of FY16, consistent with the intentions disclosed in the Prospectus dated 17 March 2016.

Net tangible asset backing

Net tangible asset backing per ordinary share: $0.34 (2015: $0.03). This has been calculated by dividing the net assets attributable to equity holders of the Company less intangible assets, by the number of ordinary shares as at 30 June 2016.

Entities for which control has been gained

During the year, the Group acquired following entities. The details are as follows:

Acquired entity	Date control gained	Contribution to current year profit $000	Contribution to prior year profit $000
Compu-Clearing Outsourcing Limited and its subsidiaries	31 July 2015	412	13
- Compu-Clearing (Pty) Ltd			
- Three DX Property and Investments (Pty) Ltd			
- EDI Enterprise (Pty) Ltd			
- Compu-Clearing Drome Property (Pty) Ltd			
- Drome Road Share Block (Pty) Ltd			
Cargo Community Network Pty Limited	30 April 2016	40	-

Audit

This report is based on accounts which are currently unaudited.

Operating and financial review

Principal activities

We are a leading provider of software solutions to the logistics industry globally. We develop, sell and implement software solutions that enable logistics service providers to facilitate the movement and storage of goods and information domestically and internationally. We provide our solutions to more than 6,000 customers across 125 countries through offices in Australia, New Zealand, China, Singapore, South Africa, the United Kingdom and the United States.

Our industry-leading flagship technology, CargoWise One, is a deeply integrated global software solution for logistics service providers that enables our customers to execute highly complex logistics transactions and manage their operations on one database across multiple users, functions, offices, countries and languages. We operate our own data centres and deliver our CargoWise One software principally through the cloud. We provide our software as a service which customers access as needed and pay for usage monthly. In 2016, our platform executed over 34 billion data transactions for our customers.

Innovation and productivity are at the core of what we do, we invest heavily in product development and have achieved strong and profitable growth during our history.

Initial Public Offering (“IPO”)

On 11 April 2016, we achieved a significant milestone by undertaking an IPO raising $125m and listing on the Australian Securities Exchange ("ASX").

We believe the IPO and our ASX listing deliver benefit by:

- providing capital to support our growth strategy and future opportunities
- increasing our brand value and raising the profile of WiseTech amongst the global logistics industry.

Strategic highlights from the year

In addition to our ASX listing, the key strategic developments in the year were:

Expansion of our global platform

We invested $41m and 51% of our people in product development, further expanding our pipeline of commercialisable innovations and delivering over 670 product upgrades across the CargoWise One platform.

Greater usage by existing customers

- We achieved strong existing customer revenue growth of $15.1m which was more than double the $7.2m growth from the prior year. Growth was generated from our large customer base increasing their use of the CargoWise One platform, adding transactions, users and geographies and moving into more modules
- We expanded further our global rollout program with the world’s largest global forwarding groups including DSV, Geodis, Yusen, Mainfreight, OHL and JAS, and by signing a contract with DHL Global Forwarding which commenced on 1 July 2016 and is expected to deliver $60m of revenue over 4.5 years
- We continued the transition of customer licensing with 83% of our revenue generated from on "On-Demand" licensing, an access-as-needed, monthly payment based on usage licence.

Increasing the number of new customers on the platform

We increased growth in new sales compared to prior year, reflecting strong North American sales following our first-to-market implementation of the new US Customs system (ACE), swifter on-boarding of new customers and increased strength in securing mid-large 3PL clients including large and global rollout contracts with new customers such as Hitachi, XPO and CEVA.

Stimulated network effects

We harness important natural network effects that exist because of the nature of global logistics. In the current year, we further stimulated these effects with active targeting programmes including launching the CargoWise Certification program, initiating the next-generation Wise Agent Referral Program ("WARP") and signing a further 19 multi-national freight forwarding networks.

Accelerating organic growth through acquisitions

- We acquired and commenced integration of leading South African software vendor, Compu-Clearing Outsourcing Limited (“CCL”) on 31 July 2015 and Australian and New Zealand air messaging distributor, Cargo Community Network Pty Ltd (“CCN”) on 30 April 2016
- We completed stage 1 integration into our global group of acquired South African software provider, Core Freight Systems (Proprietary) Ltd (“CFS”) and the trading assets of Chinese vendor, Shenzhen Zsoft Software Development Co. Ltd (“Zsoft”);
- We increased our strategic holding in German-domiciled, global ocean carrier provider, Softship AG ("Softship") during the year and in July 2016 achieved a majority shareholding of 50.01%.

Summary of statutory financial performance
During the period, we delivered significant revenue growth of 47% compared to the prior year through strong organic growth, across our business, further accelerated by strategic acquisitions.

We achieved an operating profit of $4.6m compared to $14.4m in the prior year, including one-off IPO and close out costs of $16.7m ($0.3m in the prior year). Despite these one-off costs, we achieved net profit after tax ("NPAT") of $2.2m compared to $10.1m in the prior year.

On a pro forma basis, NPAT increased 37% from $10.4m in the prior year to $14.2m in the current year.

For the year ended 30 June	Notes 1	2016 $'m	2015 $'m	Change $'m	Change %
Recurring monthly and annual software usage revenue		101.2	67.3	33.9	50%
One Time Licence and support services		1.6	2.7	(1.1)	(41)%
Total revenue		**102.8**	**70.0**	**32.8**	**47%**
Cost of revenues		(15.4)	(11.4)	(4.0)	35%
Gross profit		**87.4**	**58.6**	**28.8**	**49%**
Product design and development		(30.4)	(19.6)	(10.8)	55%
Sales and marketing		(22.8)	(11.7)	(11.1)	95%
General and administration		(29.5)	(12.9)	(16.6)	129%
Total operating expenses		**(82.8)**	**(44.2)**	**(38.6)**	**87%**
Operating profit		**4.6**	**14.4**	**(9.8)**	**(68)%**
Net finance (costs)/income		(1.2)	0.1	(1.3)	n/a
Profit before income tax		**3.5**	**14.5**	**(11.0)**	**(76)%**
Tax expense		(1.3)	(4.4)	3.1	(70)%
NPAT		**2.2**	**10.1**	**(7.9)**	**(78)%**

Key financial metrics		FY16	FY15	Change
Recurring revenue %		98%	96%	2pp
Gross profit margin		85%	84%	1pp
Product design and development as % total revenue	2	30%	28%	2pp
Sales and marketing as % total revenue		22%	17%	5pp
General and administration as % total revenue		29%	18%	11pp
Capitalised development cost ($m)	3	17.6	13.5	4.1

1. Differences in tables are due to rounding.
2. Product design and development cost includes $7.0m ($5.3m in the prior year) depreciation and amortisation but excludes capitalised development amounts.
3. Includes software licences.

Reconciliation of statutory NPAT to pro forma NPAT (Prospectus basis)

The following table reconciles the statutory reported revenue and NPAT to pro forma revenue and NPAT using pro forma adjustments consistent with those presented in the Prospectus for the IPO.

For the year ended 30 June	Notes	2016 $'m	2015 $'m
Statutory revenue		102.8	70.0
Net impact of acquisitions	1	0.5	9.6
Pro forma revenue		**103.3**	**79.6**
Statutory NPAT		2.2	10.1
Net impact of acquisitions	1	0.5	1.5
Acquisition transaction costs	2	0.5	0.5
Incremental public company costs	3	(1.8)	(2.6)
Offer costs	4	6.7	0.3
Net finance costs	5	0.8	0.4
Employee incentive scheme close out	6	4.4	-
Commission scheme close out	7	6.2	-
Tax impact of proforma adjustments	8	(5.3)	0.2
Pro forma NPAT		**14.2**	**10.4**

1. Represents the pro forma impact of acquisitions as presented in the Prospectus and adjustments for FY16 to remove the impact of CCN for May and June 2016.
2. Represents costs associated with acquisitions completed in the respective period.
3. Includes a full year of estimated costs of being a public company.
4. Adds back the costs associated with the IPO, including the foreign currency option cost of $0.6m.
5. Removes historical finance costs on bank debt, borrowings having been repaid as part of the IPO.
6. Adds back the costs associated with the close out of legacy employee incentive arrangements as part of the IPO.
7. Adds back the costs associated with the close out of legacy sales commission scheme as part of the IPO.
8. Adjusts the tax impact of the pro forma adjustments.

Revenue

Total revenue grew by $32.8m, or 47% from $70.0m in the prior year to $102.8m. This growth was driven by a combination of:

- revenue growth from the existing customer base
- revenue growth from new customers won in the year, the full year impact of customers won in the prior year and growth in customers won in the year ended 30 June 2014
- revenue from customers on acquired technology platforms resulting from recent acquisitions.

Revenue from the existing customer base grew by $15.1m or 22%, driven by increased usage of the core CargoWise One technology platforms, including a positive impact of $7.7m arising from beneficial foreign exchange movements predominantly in the first half.

Revenue growth was achieved across all customer cohorts.

New customer revenue increased by $7.8m ($5.5m in the prior year), of which $1.5m of growth was driven by foreign exchange movements ($1.1m in the prior year).

Customers on acquired platforms represent customers not yet transitioned onto CargoWise One. Year on year growth is typically lower than the growth experienced on our CargoWise One platform. In the current year, increases in revenue from acquired customers were supplemented by acquisitions completed in the year and the full year impact of acquisitions from previous years. In total, revenue from acquired platform customers grew by $9.9m, slightly offset by adverse foreign exchange movements of $0.5m.

Acquired growth reflected:

- the full year impact of acquisitions from the prior year: CFS and Zsoft trading assets
- majority acquisition of CCL on 31 July 2015
- the 100% acquisition of CCN on 30 April 2016, although this had an immaterial effect on current year revenue.

During the year, revenue from our “On-Demand” licence models increased from 70% of total revenue to 83%, reflecting our strategy to have all new customers on the Seat plus Transaction Licensing ("STL") revenue model and to transition existing customers off One-Time Licence ("OTL") agreements to “On-Demand” licence models. For CargoWise One customers, we expect this transition to be substantially complete by the end of December 2016. Consistent with this strategy, our total OTL maintenance revenue reduced in the year.

Recurring revenue increased from 96% of total revenue in the prior year to 98%.

Gross profit and gross profit margin

Gross profit increased by $28.8m or 49% from $58.6m in the prior year to $87.4m. Gross profit growth was mainly driven by revenue growth. The rate of increase in cost of revenues was lower than the revenue growth rate, reflecting better leverage within cost of revenues. It also reflects the categorisation of select costs to product design and development, reflecting role re-alignment, that were previously categorised as cost of revenues and the impact of the acquired businesses. This resulted in an overall increase in gross profit margin of 1pp from 84% to 85% in the current year.

Operating expenses
Product design and development expenses increased to $30.4m, an increase of $10.8m or 55%, from $19.6m in the prior year. The increase reflects our continued investment in development resources, including the full year impact of staff related to acquisitions. Product design and development expenses also included $1.3m higher amortisation of development costs, $1.2m of costs re-defined from cost of revenues and $2.4m of costs attributable to the close out of certain employee incentive arrangements relating to our IPO.

In addition, we further invested in development activities for new products and functionality enhancements to support current and future growth which is reflected in an increase in the level of capitalised development cost including external software licences which grew from $13.5m in the prior year to $17.6m.

Sales and marketing expenses increased by $11.1m to $22.8m. The costs reflected the increased scale of the business including acquisitions and also included one-off costs of $6.4m of sales commission and employee incentive close out costs related to our IPO. Excluding these costs, sales and marketing expenses as a percentage of revenue were 16% compared to 17% in the prior year.

General and administration expenses also increased as a result of growth of the business and were similarly impacted by $7.7m related to IPO offer cost and employee incentive scheme close out. Excluding these items, general and administration costs were 21% of total revenue compared to 18% in the prior year.

Cash flow
We continued to generate cash in the year. Net cash flows from operating activities were in line with prior year at $21.1m (prior year $21.3m) including cash outflows of $6.4m relating to IPO costs. Operating cash was used for investment in development, IT equipment and acquisitions. In total, $18.5m was invested in acquisitions, mainly relating to the acquisition of CCL in South Africa.

The IPO raised $125m of new equity which, after $14.0m of current year total offer costs ($7.6m of which were attributable to equity), contributed to year-end net cash position of $103.2m.

Our growth strategy

This comprises:

- expanding our global platform through innovation via investment in product development
- enabling greater usage by existing customers, including by enabling customers to use more modules and expand their use of CargoWise One in new regions, including customers who are at various stages of global roll-out programs
- increasing the number of customers and users on the platform - including through winning new customers, and the transition of existing customers from acquired platforms to CargoWise One
- stimulating network effects
- accelerating execution of strategy and growth through further geographic foothold and product adjacency acquisitions.

Post Balance Date events
During July 2016, we increased our strategic investment in Softship from 19.99% to 50.01%. While we have made no offer, nor entered into any agreement with respect to the full acquisition of Softship, our shareholding requires that we financially consolidate from 1 July 2016 onwards.

Outlook for the year ending 30 June 2017
During the current year we exceeded our operating profit forecasts set out in the Prospectus dated 17 March 2016 on both statutory and pro forma basis.

This years strong performance, combined with our 98% recurring revenue, annual attrition of less than 1%, earnings contribution from recent small acquisitions and continued growth across our global operations affirms that we are on track to exceed our Prospectus forecast for the coming year. Guidance to our forecast revenue and profit for the year ending 30 June 2017 is included in the accompanying ASX press release and results presentation.

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2016

	Notes	2016 $000	2015 $000
Revenue	3	102,809	70,003
Cost of revenues		(15,416)	(11,398)
Gross profit		**87,393**	**58,605**
Product design and development		(30,429)	(19,589)
Sales and marketing		(22,815)	(11,681)
General and administration		(29,510)	(12,855)
Total operating expenses		**(82,754)**	**(44,125)**
Operating profit		**4,639**	**14,480**
Finance income		1,255	958
Finance costs	25	(2,442)	(852)
Net finance (costs)/income		**(1,187)**	**106**
Share of profit of equity accounted investees, net of tax		**-**	**13**
Profit before income tax		**3,452**	**14,599**
Income tax expense	4	(1,285)	(4,442)
Net profit for the year		**2,167**	**10,157**
Other comprehensive (loss)/income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(4,208)	134
Net gain/(loss) on available-for-sale financial assets, net of tax		**2,020**	**(168)**
Other comprehensive loss for the year, net of tax		**(2,188)**	**(34)**
Total comprehensive (loss)/income for the year		**(21)**	**10,123**
		Cents	**Cents**
Earnings per share	5		
Basic earnings per share		0.8	4.2
Diluted earnings per share		0.8	4.2

These financial statements should be read in conjunction with accompanying notes.

Consolidated statement of financial position

As at 30 June 2016

	Notes	2016 $000	2015 $000
Assets			
Current assets			
Cash and cash equivalents	9	109,527	43,155
Trade receivables	10	12,102	7,842
Current tax receivables		1,747	1,032
Other current assets	11	3,668	1,883
Total current assets		**127,044**	**53,912**
Non-current assets			
Property, plant and equipment	8	13,361	10,021
Intangible assets	7	96,852	66,002
Equity accounted investees		-	5,579
Equity securities - available for sale		4,303	2,018
Other non-current assets	11	4,219	3,127
Total non-current assets		**118,735**	**86,747**
Total assets		**245,779**	**140,659**
Liabilities			
Current liabilities			
Trade and other payables	12	8,684	5,706
Borrowings	15	3,659	3,801
Deferred revenue	13	13,380	10,568
Current tax liabilities		1,620	240
Employee benefits	20	4,902	3,830
Other current liabilities	14	4,182	1,234
Total current liabilities		**36,427**	**25,379**
Non-current liabilities			
Borrowings	15	2,665	26,662
Employee benefits	20	699	588
Deferred tax liabilities	4	8,031	11,770
Other non-current liabilities	14	1,781	3,253
Total non-current liabilities		**13,176**	**42,273**
Total liabilities		**49,603**	**67,652**
Net assets		**196,176**	**73,007**
Equity			
Share capital	16	165,571	44,869
Reserves		5,354	1,241
Retained earnings		25,251	26,897
Total equity		**196,176**	**73,007**

These financial statements should be read in conjunction with accompanying notes.

Consolidated statement of changes in equity

For the year ended 30 June 2016

	Notes	Share capital	Fair value reserve	Share-based payment reserve	Foreign currency translation reserve	Retained earnings	Total equity
		$000	$000	$000	$000	$000	$000
Balance as at 1 July 2014		**9,006**	**-**	**1,106**	**(417)**	**18,762**	**28,457**
Net Profit for the year		-	-	-	-	10,157	10,157
Other comprehensive income/(loss)		-	(168)	-	134	-	(34)
Total comprehensive income/(loss)		**-**	(168)	**-**	134	10,157	10,123
Transactions with owners							
Issue of share capital (net of issue costs)	16	34,929	-	-	-	-	34,929
Vesting of deferred share rights	16	934	-	(934)	-	-	-
Equity settled share-based payments		-	-	1,520	-	-	1,520
Dividends	6	-	-	-	-	(2,022)	(2,022)
Balance as at 30 June 2015		**44,869**	**(168)**	**1,692**	**(283)**	**26,897**	**73,007**

	Notes	Share capital	Fair value reserve	Share-based payment reserve	Foreign currency translation reserve	Retained earnings	Total equity
		$000	$000	$000	$000	$000	$000
Balance as at 1 July 2015		**44,869**	**(168)**	**1,692**	**(283)**	**26,897**	**73,007**
Net Profit for the year		-	-	-	-	2,167	2,167
Other comprehensive income/(loss)		-	2,020	-	(4,208)	-	(2,188)
Total comprehensive income/(loss)		-	2,020	-	(4,208)	2,167	(21)
Transactions with owners							
Issue of share capital (net of issue costs)	16	119,989	-	-	-	-	119,989
Vesting of deferred share rights	16	713	-	(713)	-	-	-
Equity settled share-based payments		-	-	7,014	-	-	7,014
Dividends	6	-	-	-	-	(3,813)	(3,813)
Balance as at 30 June 2016		**165,571**	**1,852**	**7,993**	**(4,491)**	**25,251**	**196,176**

These financial statements should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the year ended 30 June 2016

	Notes	2016 $000	2015 $000
Operating activities			
Receipts from customers		105,390	75,730
Payments to suppliers and employees		(73,277)	(52,461)
Income tax paid		(3,073)	(1,941)
Option premiums paid		(1,544)	-
IPO fees paid		(6,414)	-
Net cash flows from operating activities	23	**21,082**	**21,328**
Investing activities			
Payment for intangible assets	7	(17,738)	(13,293)
Purchase of property, plant and equipment		(2,396)	(2,607)
Interest received		836	180
Acquisition of trading assets of Shenzen Zsoft Software Development Co. Ltd	19	-	(2,434)
Acquisition of Core Freight Systems (Proprietary) Limited, net of cash acquired	19	-	(5,472)
Acquisition of Compu-Clearing Outsourcing Limited, net of cash acquired	19	(17,543)	(5,566)
Acquisition of Cargo Community Network Pty Limited, net of cash acquired	19	(1,036)	-
Payment for equity securities		(187)	(2,186)
Payment of contingent consideration	25	(1,272)	-
Net cash flows used in investing activities		**(39,336)**	**(31,378)**
Financing activities			
Proceeds from issue of shares	16	125,000	35,000
Interest paid		(1,366)	(706)
Initial Public Offering costs pre-tax		(7,607)	-
Repayment of finance lease liabilities		(3,363)	(1,558)
Proceeds from borrowings	15	-	24,000
Repayment of borrowings	15	(24,000)	(5,000)
Dividends	6	(3,813)	(2,022)
Financing transaction costs		(221)	(333)
Net cash flows from financing activities		**84,630**	**49,381**
Net increase in cash and cash equivalents		66,376	39,331
Cash and cash equivalents at 1 July	9	43,155	3,824
Effect of exchange differences on cash balances		(4)	-
Net cash and cash equivalents at 30 June	9	**109,527**	**43,155**

These financial statements should be read in conjunction with accompanying notes.

Notes to the financial statements

For the year ended 30 June 2016

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Notes to the financial statements (continued)

For the year ended 30 June 2016

1. Corporate information

WiseTech Global Limited ("Company") is a company domiciled in Australia. The consolidated financial statements comprise the Company and its controlled entities (collectively "Group" or “WiseTech"). The Company was formerly known as WiseTech Global Pty Limited and became a public company on 4 September 2015 and subsequently listed on the ASX on 11 April 2016. The Company's registered office is at Unit 3a, 72 O'Riordan Street, Alexandria, NSW 2015, Australia.

The Group is a for-profit entity and its principal business is providing software to the logistics services industry globally.

2. Basis of preparation

Statement of compliance

The preliminary financial statements ("financial statements") have been prepared in accordance with the ASX Listing Rule 4.3A and have been derived from the unaudited consolidated annual financial report. The financial statements are prepared in accordance with Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board and also complies with the International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board ("IASB").

Material accounting policies adopted in the preparation of these financial statements are presented alongside the relevant notes and have been consistently applied unless stated otherwise. Other significant accounting policies which are relevant to understand the basis of preparation of these financial statements are included in note 27.

The financial statements have been prepared on an accruals basis and are based on historical costs except for:

- derivative financial assets and liabilities which are measured at fair value in accordance with AASB 139 Financial Instruments: Recognition and Measurement
- deferred acquisition consideration which is measured at fair value in accordance with AASB 13 Fair Value Measurement.

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The consolidated annual financial report is in the process of being audited and is expected to be made available on 28 September 2016. This preliminary final report does not include all the notes of the type normally included in a consolidated annual financial report. Accordingly, this report should be read in conjunction with any public announcements made by the Company during the year in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

The Group has applied AASB 133 Earnings per Share for the first time for their annual reporting period commencing 1 July 2015 in order to comply with the AASBs and disclosure requirements for a listed entity.

Functional and presentational currency

The consolidated financial statements are presented in Australian dollars which is the Company's functional currency.

Rounding of amounts

The Company is of a kind referred to in Australian Securities and Investments Commission ("ASIC") Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191 issued by ASIC, relating to the ‘rounding off’ of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with this instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Notes to the financial statements (continued)

For the year ended 30 June 2016

2. Basis of preparation (continued)

Presentation of results

The Group has presented the expense categories within the Consolidated statement of profit or loss and other comprehensive income on a functional basis. The categories used are cost of revenues, product design and development, sales and marketing and general and administration. This presentation style provides insight into the Company's business model and enables users to consider the results of the Group compared to other major Software as a Service ("SaaS") companies. The methodology and the nature of costs within each category are further described below.

Cost of revenues

Cost of revenues consists of expenses directly associated with securely hosting WiseTech's services and providing support to customers. Costs include data centre costs, personnel and related costs (including salaries and share-based payments) directly associated with cloud infrastructure and customer support, contracted third party costs, related depreciation and amortisation and allocated overheads.

Product design and development expenses

Product design and development expenses consist primarily of personnel and related costs (including salaries, benefits, bonuses and share-based payments) directly associated with the Company's product design and development employees, as well as allocated overheads. Under IFRS, the proportion of product design and development expenses that create a benefit in future periods is capitalisable as an intangible asset and then amortised to profit or loss over the estimated life of the asset created. The amortisation of those costs capitalised is included as a product design and development expense. In the current year, expenses also include costs associated with the close out of the legacy employee incentive scheme related to development employees in conjunction with the Initial Public Offering ("IPO").

Sales and marketing expenses

Sales and marketing expenses consist of personnel and related costs (including salaries, benefits, bonus, commissions and share-based payments) directly associated with the sales and marketing team's activities to acquire new customers and grow revenue from existing customers. Other costs included are external advertising costs, marketing costs and promotional event costs as well as allocated overheads. In the current year, sales and marketing expenses also include the accelerated expense associated with the close out of an uncapped legacy sales commission arrangement in conjunction with the IPO.

General and administration expenses

General and administration expenses consist of personnel and related costs (including salaries, benefits, bonuses and share-based payments) for the Company's executive, finance, legal, human resources and administration employees. They also include legal, accounting and other professional services fees, insurance premiums, other corporate expenses and allocated expenses. The General and administration expenses also include professional advisory fees, legal and other expenses relating to the IPO other than those transaction costs associated with the issuance of shares (which are netted against the proceeds received from the IPO) and acquisition and business integration costs related to the Company's acquisition strategy. In the current year, expenses also include costs associated with the close out of the legacy employee incentive scheme related to general and administration employees, in conjunction with the IPO.

Overhead allocation

The presentation of the Consolidated statement of profit or loss and other comprehensive income by function requires certain overhead costs to be allocated to functions. These allocations require management to apply judgement. The costs associated with WiseTech's facilities, internal information technology and non-product related depreciation and amortisation are allocated to each function based on respective headcount.

Notes to the financial statements (continued)

For the year ended 30 June 2016

3. Revenue

Significant accounting policies

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of discounts and amounts collected on behalf of third parties. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of its activities as described below.

Revenue is recognised for the major business activities as follows:

Recurring monthly and recurring annual software usage revenue

Revenue is recognised as the services are provided to the customer. Revenues that are unbilled at year end are recognised in the Consolidated statement of financial position as unbilled receivables and included in other non-current assets.

One Time Licence ("OTL") maintenance revenues are classified for presentation purposes as recurring monthly and recurring annual software usage revenue. Annual revenues from OTL maintenance revenues are recognised evenly over time as services are rendered.

OTL and support services

OTL and support services are recognised when the licences are provided and the services are delivered.

	2016	2015
	$000	$000
Recurring monthly and recurring annual software usage revenue	101,213	67,330
OTL and support services	1,596	2,673
Total revenue	**102,809**	**70,003**

4. Income tax

(a) Income tax expense

Income tax expense/(income) comprises current and deferred tax expense/(income) and is recognised in profit or loss, except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

The components of tax expense comprise:

	2016	2015
	$000	$000
Current tax	2,773	883
Deferred tax	(1,629)	3,578
Adjustment for prior years - current tax	534	25
Adjustment for prior years - deferred tax	(393)	(44)
Income tax expense	**1,285**	**4,442**

Notes to the financial statements (continued)

For the year ended 30 June 2016

4. Income tax (continued)

The prima facie tax on profit before income tax is reconciled to the income tax expense as follows:

	2016 $000	2015 $000
Accounting profit before tax	3,452	14,599
Accounting profit before income tax	**3,452**	**14,599**
Add:		
At Australia's statutory income tax rate of 30% (2015: 30%)	1,036	4,380
Non-deductible depreciation and amortisation	-	181
Non-deductible expenses	82	4
Non-deductible share-based payment expense	373	475
Non-deductible acquisition expense	330	156
Under/(over) provision for income tax in prior year	141	(19)
	1,962	**5,177**
Less:		
Tax effect of:		
Different tax rates in overseas jurisdictions	(12)	(12)
Research and development	(681)	(630)
Deferred tax adjustments	20	(84)
Other	(4)	(9)
Income tax expense	**1,285**	**4,442**

Significant accounting policies

Current tax

Current tax comprises the expected payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates for each jurisdiction enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Notes to the financial statements (continued)

For the year ended 30 June 2016

4. Income tax (continued)

(b) Movement in deferred tax balances

	Opening balance $000	Charged to profit or loss $000	Charged to goodwill $000	Exchange differences $000	Charged to equity $000	Total $000
2016						
Software development costs	11,029	3,479	(148)	-	100	14,460
Customer relationships	1,524	(223)	305	(32)	-	1,574
Provisions	(1,559)	(610)	(119)	4	(6)	(2,290)
Straight-line revenue	642	33	-	-	-	675
Unrealised foreign exchange	436	(333)	-	-	-	103
Intellectual property	(91)	(191)	335	(13)	-	40
Property, plant and equipment	61	(141)	169	9	-	98
Future income tax benefits attributable to tax losses and offsets	(71)	(1,279)	(9)	(5)	-	(1,364)
Transaction costs	(106)	(916)	-	-	(2,314)	(3,336)
Employee equity compensation	-	(1,618)	-	19	-	(1,599)
Other	(95)	(223)	(2)	(10)	-	(330)
Net tax liabilities	**11,770**	**(2,022)**	**531**	**(28)**	**(2,220)**	**8,031**

2015	Opening balance $000	Charged to profit or loss $000	Charged to goodwill $000	Exchange differences $000	Charged to equity $000	Total $000
Software development costs	7,865	3,164	-	-	-	11,029
Customer relationships	1,194	(161)	491	-	-	1,524
Provisions	(1,019)	(481)	(47)	(12)	-	(1,559)
Straight-line revenue	25	617	-	-	-	642
Unrealised foreign exchange	260	176	-	-	-	436
Intellectual property	(169)	(80)	158	-	-	(91)
Property, plant and equipment	-	56	-	5	-	61
Future income tax benefits attributable to tax losses and offsets	(289)	225	-	(7)	-	(71)
Transaction costs	-	(68)	-	-	(38)	(106)
Other	(162)	86	-	(19)	-	(95)
Net tax liabilities	**7,705**	**3,534**	**602**	**(33)**	**(38)**	**11,770**

Critical accounting estimates and assumptions

The Group is subject to tax in numerous jurisdictions. Significant judgement is required in determining the related assets or provisions as there are transactions in the ordinary course of business and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities based on estimates of whether additional tax will be due. Where the final tax outcome of these matters is different from the amount that was initially recognised, such differences will impact on the results for the year and the respective income tax and deferred tax assets or provisions in the year in which such determination is made. The Group recognises tax assets based on forecasts of future profits against which those assets may be utilised.

Notes to the financial statements (continued)

For the year ended 30 June 2016

5. Earnings per share ("EPS")

Significant accounting policies

Basic EPS is calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

(a) Basic EPS

	2016	2015
Profit attributable to equity holders of the Company ($000)	2,167	10,157
Basic weighted average number of ordinary shares	261,875,342	243,550,572
Basic EPS (cents)	0.8	4.2

(b) Diluted EPS

	2016	2015
Profit attributable to equity holders of the Company ($000)	2,167	10,157
Basic weighted average number of ordinary shares	261,875,342	243,550,572
Shares issuable in relation to warrants and equity-based compensation schemes	-	397,546
Diluted weighted average number of ordinary shares	261,875,342	243,948,118
Diluted EPS (cents)	0.8	4.2

6. Dividends

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved prior to the reporting date.

The following dividends were declared and paid by the Company during the year:

	2016	2015
	$000	**$000**
Cash dividends on ordinary shares declared and paid:		
Final dividend: FY15 0.91 cents per share (FY14 0.84 cents)	2,300	2,022
Interim dividend: FY16 0.60 cents per share (FY15: nil)	1,513	-
	3,813	**2,022**
Franking credit balance		
Franking account balance as at the end of the financial year	**598**	**1,045**

For the year ended 30 June 2016, the dividends were paid on 30 September 2015 and 4 April 2016 respectively. Dividends paid during the year were franked at 100%.

Notes to the financial statements (continued)

For the year ended 30 June 2016

7. Intangible assets

Significant accounting policies

Computer software

Computer software comprises computer application system software. Costs incurred in developing products or systems and costs incurred in acquiring software that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to computer software. Costs capitalised include external direct costs of materials and services, personnel costs, directly attributable facilities costs and related costs including on-costs and share-based payments.

Development costs (WIP)

Research expenditure is recognised as an expense as incurred. Costs incurred as development projects (relating to the design and testing of new or improved software products) are recognised as intangible assets when it is probable that the software product will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and overheads. Other development expenditure that does not meet these criteria is recognised as an expense as incurred. Development costs are capitalised under computer software and subsequently amortised from the point at which the asset is ready for use.

External software licences

External software licences costs relate to fees paid to an external provider for licences relating to specific components of software.

Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

The Group tests goodwill for impairment annually or more frequently if events or changes in circumstances indicate that goodwill may be impaired. The recoverable amount of the collective cash generating units ("CGUs") is determined based on a value in use calculation which requires the use of cash flow projections based on approved financial budgets, and extrapolated over a five year period. The growth rate used does not exceed the long-term average growth rate for the market in which the segment operates. The discount rate used reflects the Group's pre-tax weighted average cost of capital. No individual CGUs contain goodwill. Goodwill is maintained and monitored at the group segment level.

Intellectual property

Intellectual property acquired as part of a business combination is recognised separately from goodwill. The intellectual property assets are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses.

Customer relationships

Customer relationships acquired as part of a business combination are recognised separately from goodwill. The customer relationships are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses.

Notes to the financial statements (continued)

For the year ended 30 June 2016

7. Intangible assets (continued)

Trade names

Trade names acquired as part of a business combination are recognised separately from goodwill. They are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses.

Patents

Patents comprise filing costs for the Group's patents. These are subsequently amortised from the point at which the asset is ready for use. They are stated at cost less accumulated amortisation and impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives are as follows:

- computer software: 3 - 10 years
- external software licences: 1 - 10 years
- intellectual property: 3 - 5 years
- customer relationships: 10 years
- trade names: 10 years
- patents: 1 - 10 years.

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

Intangible assets, other than goodwill, have finite useful lives. Goodwill has an indefinite useful life.

Critical judgements

Management has made judgements in respect of intangible assets when assessing whether an internal project in the development phase meets the criteria to be capitalised, and on measuring the costs and economic life attributed to such projects. On acquisition, specific intangible assets are identified and recognised separately from goodwill and then amortised over their estimated useful lives. These include such items as customer relationships to which value is first attributed at the time of acquisition. The capitalisation of these assets and the related amortisation charges are based on judgements about the value and economic life of such items.

The economic lives for intangible assets are estimated at between three and ten years for internal projects, which include internal use of software and internally generated software, and between three and ten years for acquired intangible assets. Management has also made judgements and assumptions when assessing the economic life of intangible assets and the pattern of consumption of the economic benefits embodied in the assets.

Notes to the financial statements (continued)

For the year ended 30 June 2016

7. Intangible assets (continued)

	Computer software	Development costs (WIP)	External software	Goodwill	Intellectual property	Customer relationships	Trade names	Patents	Total
	$000	$000	$000	$000	$000	$000	$000	$000	$000
At 30 June 2014									
Cost	22,101	9,551	1,494	11,055	6,738	4,974	-	-	55,913
Accumulated amortisation and impairment	(5,437)	-	-	(63)	(5,484)	(994)	-	-	(11,978)
Net book value	**16,664**	**9,551**	**1,494**	**10,992**	**1,254**	**3,980**	**-**	**-**	**43,935**
At 1 July 2014	16,664	9,551	1,494	10,992	1,254	3,980	-	-	43,935
Additions	-	13,457	89	-	468	-	-	-	14,014
Transfers	7,950	(7,950)	(119)	-	-	-	-	-	(119)
Amortisation	(2,908)	-	-	-	(1,013)	(529)	-	-	(4,450)
Acquisition via business combination	-	-	-	9,247	1,642	1,733	-	-	12,622
Net book value at 30 June 2015	**21,706**	**15,058**	**1,464**	**20,239**	**2,351**	**5,184**	**-**	**-**	**66,022**
At 30 June 2015									
Cost	30,051	15,058	1,583	20,302	8,848	6,707	-	-	82,549
Accumulated amortisation and impairment	(8,345)	-	(119)	(63)	(6,497)	(1,523)	-	-	(16,547)
Net book value	**21,706**	**15,058**	**1,464**	**20,239**	**2,351**	**5,184**	**-**	**-**	**66,002**
At 1 July 2015	21,706	15,058	1,464	20,239	2,351	5,184	-	-	66,002
Additions	-	15,960	1,674	-	-	-	-	104	17,738
Transfers	8,796	(8,796)	-	-	-	-	-	-	-
Amortisation	(4,405)	-	(383)	-	(916)	(899)	(63)	-	(6,666)
Acquisition via business combination	-	-	-	20,983	1,025	1,337	647	-	23,992
Exchange differences	-	-	-	(3,541)	(315)	(261)	(97)	-	(4,214)
Net book value at 30 June 2016	**26,097**	**22,222**	**2,755**	**37,681**	**2,145**	**5,361**	**487**	**104**	**96,852**
At 30 June 2016									
Cost	38,847	22,222	3,257	37,744	9,558	7,783	550	104	120,065
Accumulated amortisation and impairment	(12,750)	-	(502)	(63)	(7,413)	(2,422)	(63)	-	(23,213)
Net book value	**26,097**	**22,222**	**2,755**	**37,681**	**2,145**	**5,361**	**487**	**104**	**96,852**

Notes to the financial statements (continued)

For the year ended 30 June 2016

7. Intangible assets (continued)

Impairment testing for CGUs containing goodwill

At 30 June 2016, the Group is managed as one collective CGU, which reflects the lowest level of management of the groups of assets and the synergies of the business groupings. The CGU is consistent with the operating segment of the Group at 30 June 2016.

The recoverable amount of this CGU was based on value in use, estimated using discounted cash flows.

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

	2016	2015
Post-tax discount rate per annum	9%	9%
Pre-tax discount rate per annum	11.5%	11.3%
Long-term perpetuity growth rate	3%	3%

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter.

Management has performed sensitivity analysis and assessed reasonably possible changes for key assumptions and have not identified any instances that could cause the carrying amount of the Group to exceed its recoverable amount.

8. Property, plant and equipment

Significant accounting policies

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Any gain or loss on disposal of an item of plant and equipment is recognised in profit or loss.

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

Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis calculated using the cost of the item less its estimated residual values over its estimated useful life. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain the ownership by the end of the lease term. Land is not depreciated.

Depreciation is recognised in the profit or loss.

The assets' depreciation methods, residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The annual depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate
Buildings	2%
Plant and equipment	5% - 50%
Leasehold improvements	10% - 20%.

Notes to the financial statements (continued)

For the year ended 30 June 2016

8. Property, plant and equipment (continued)

If an asset's carrying amount is greater than its estimated recoverable amount, it is immediately written down to the recoverable amount.

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

	Land and buildings	Plant and equipment	Leasehold improvements	Leasehold improvements in progress	Total
	$000	$000	$000	$000	$000
At 30 June 2014					
Cost	-	5,191	1,565	46	6,802
Accumulated depreciation	-	(3,384)	(317)	-	(3,701)
Net book value	-	**1,807**	**1,248**	**46**	**3,101**
At 1 July 2014	-	1,807	1,248	46	3,101
Additions	-	6,943	2,360	-	9,303
Acquisitions via business combination	-	45	7	-	52
Disposals	-	(14)	-	-	(14)
Transfer	-	-	46	(46)	-
Depreciation	-	(2,070)	(218)	-	(2,288)
Exchange differences	-	21	(154)	-	(133)
Net book value at 30 June 2015	-	**6,732**	**3,289**	**-**	**10,021**
At 30 June 2015					
Cost	-	12,186	3,824	-	16,010
Accumulated depreciation	-	(5,454)	(535)	-	(5,989)
Net book value	**-**	**6,732**	**3,289**	**-**	**10,021**
At 1 July 2015	-	6,732	3,289	-	10,021
Additions	-	4,112	581	92	4,785
Acquisition via business combination	1,024	1,507	-	-	2,531
Depreciation	(18)	(3,405)	(1,105)	-	(4,528)
Exchange differences	(179)	259	472	-	552
Net book value at 30 June 2016	**827**	**9,205**	**3,237**	**92**	**13,361**
At 30 June 2016					
Cost	845	18,064	4,877	92	23,878
Accumulated depreciation	(18)	(8,859)	(1,640)	-	(10,517)
Net book value	**827**	**9,205**	**3,237**	**92**	**13,361**

Notes to the financial statements (continued)

For the year ended 30 June 2016

9. Cash and cash equivalents

Significant accounting policies

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are shown within short-term borrowings in current liabilities on the Consolidated statement of financial position.

	2016	2015
	$000	$000
Cash at bank and on hand	19,483	43,148
Short-term deposits	90,044	7
Cash and cash equivalents	109,527	43,155
Bank overdrafts	-	(50)
Net cash and cash equivalents	**109,527**	**43,105**

The effective interest rate on short-term bank deposits was 1.36% per annum (2015: 2.24% per annum).

The increase in cash between 2015 and 2016 largely related to the impact of the equity raising in the IPO and cash flow generated from operations offset by investing and non-IPO financing activities.

10. Trade receivables

Significant accounting policies

Trade receivables include amounts due from customers for services performed in the ordinary course of business. Trade receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. Other trade receivables are classified as non-current assets.

Trade receivables are initially recognised at fair value less any provision for impairment.

The Group does not hold any collateral as security over any trade receivable balances.

A provision for impairment of trade receivables is established 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.

	2016	2015
	$000	$000
Trade receivables	12,576	8,233
Provision for impairment of receivables	(474)	(391)
	12,102	**7,842**

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Notes to the financial statements (continued)

For the year ended 30 June 2016

10. Trade receivables (continued)

The movement in the provision for impairment in respect of trade receivables during the year was as follows:

	2016 $000	2015 $000
Opening balance	391	53
Impairment loss recognised	342	483
Amount written off	(259)	(145)
	474	**391**

Trade receivables that were not impaired as at 30 June 2016 were as follows:

	2016 $000	2015 $000
Not past due	9,402	6,741
Past due 0 - 30 days	1,719	591
Past due 31 - 60 days	464	167
Past due more than 60 days	517	343
	12,102	**7,842**

11. Other assets

Significant accounting policies

Unbilled receivables represent the revenue recognised to date but not yet invoiced to customers due to the timing of the accounting invoicing cycle.

	2016 $000	2015 $000
Current		
Derivative asset (1)	933	-
Prepayments	831	464
Deposits	485	291
Other	1,419	1,128
	3,668	**1,883**
Non-current		
Unbilled receivables	3,437	3,055
Other	782	72
	4,219	**3,127**

(1) The Group has entered into United States dollar ("USD") options to protect its USD currency exposure in FY16 and FY17. The foreign currency option contracts protect approximately 60% of forecast revenue exposure which equates to approximately 90% of the net exposure to fluctuations in the USD exchange rate in FY16 and FY17. This resulted in a derivative asset as at 30 June 2016.

Notes to the financial statements (continued)

For the year ended 30 June 2016

12. Trade and other payables

Significant accounting policies

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

	2016	2015
	$000	**$000**
Trade payables	119	1,323
Other payables	8,565	4,383
	8,684	**5,706**

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

13. Deferred revenue

	2016	2015
	$000	**$000**
Deferred revenue	11,555	10,568
Customer prepayments	1,825	-
	13,380	**10,568**

Deferred revenue reflects the value of advance payments made by customers for the services provided.

Customer prepayments represent amounts paid in advance by customers to prepay their estimated monthly invoices.

14. Other liabilities

	2016	2015
	$000	**$000**
Current		
Other current liabilities	4,182	1,234
	4,182	**1,234**
Non-current		
Other non-current liabilities	1,781	3,253
	1,781	**3,253**
	5,963	**4,487**

Other liabilities predominantly consist of contingent consideration which is further disclosed in notes 19 and 25.

Notes to the financial statements (continued)

For the year ended 30 June 2016

15. Borrowings

	2016 $000	2015 $000
Current		
Finance lease liability	3,659	3,751
Bank overdrafts	-	50
Total current borrowings	**3,659**	**3,801**
Non-current		
Finance lease liability	2,665	2,924
Secured bank loan	-	24,000
Transaction costs	-	(262)
Total non-current borrowings	**2,665**	**26,662**
Total borrowings	**6,324**	**30,463**

At 30 June 2016, the Group held unutilised debt facilities of $55,000,000 (2015: $45,000,000). At 30 June 2016, no amounts were utilised of the debt facilities (2015: $24,000,000).

16. Share capital and reserves

Ordinary shares issued and fully paid	Thousands	$000
At 1 July 2014	**240,702**	**9,006**
Vesting of deferred share rights	521	934
Shares issued	11,257	35,000
Pre-IPO funding costs accounted for in current year	-	(71)
At 30 June 2015	**252,480**	**44,869**
At 1 July 2015	**252,480**	**44,869**
Shares issued under IPO for cash (1)	37,313	125,000
Vesting of deferred share rights	-	713
Gift shares	121	405
Conversion of warrants (2)	707	-
Shares cancelled/other	8	-
Pre-IPO funding costs accounted for in current year	-	(91)
IPO funding costs, net of tax	-	(5,325)
At 30 June 2016	**290,629**	**165,571**

(1) On 11 April 2016, the Company issued 37,313,433 shares as a result of the IPO at a price of $3.35 per share.

(2) On 15 April 2015, the Group entered into an arrangement with FIL Investment Management (Hong Kong) Limited and SmallCo Investment Manager Limited which resulted in cash injections of $25,000,000 and $10,000,000 respectively in exchange for 11,257,074 shares issued. The arrangement included an issue of 1,876,172 purchased warrants for nil consideration. The warrants were to expire within 12 months. During FY16, 707,081 of the warrants were converted to shares. The remaining warrants lapsed and no further warrants have been granted.

The Company incurred $5,324,964 of costs, net of tax, that were attributable to equity. The Company also incurred pre-IPO funding costs of $91,000 (2015: $71,000).

Notes to the financial statements (continued)

For the year ended 30 June 2016

16. Share capital and reserves (continued)

Ordinary shares participate in dividends and the proceeds on winding-up of the Company in proportion to the number of shares held. At shareholders' meetings, each ordinary share is entitled to one vote when a poll is called; otherwise, each shareholder has one vote on a show of hands.

The Company does not have a par value in respect of its issued shares.

Nature and purpose of reserves

(i) Fair value reserve

The fair value reserve comprises the cumulative net change of fair value of available-for-sale financial assets until the assets are derecognised or impaired.

(ii) Share-based payment reserve

The share-based payment reserve represents the value of unvested shares and unissued shares as part of the share-based payment scheme. As the shares vest to employees, they are transferred to share capital.

(iii) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Capital management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's capital and debt include ordinary share capital and financial liabilities, supported by financial assets.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

During the year, the Group undertook an IPO, and $125,000,001 cash was raised. Details of equity and net debt for the year ended 30 June 2016 and 30 June 2015 are as follows:

	2016 $000	2015 $000
Total equity	196,176	73,007
Cash and cash equivalents	109,527	43,155
Total borrowings	(6,324)	(30,463)
Net cash and cash equivalents	**103,203**	**12,692**
Capital less net cash and cash equivalents	**92,973**	**60,315**

Notes to the financial statements (continued)

For the year ended 30 June 2016

17. Parent entity information

As at, and throughout the financial year ended 30 June 2016, the parent entity of the Group was WiseTech Global Limited.

	2016	2015
	$000	**$000**
Result of parent entity		
Net (loss)/profit for the year	(1,760)	8,362
Total comprehensive (loss)/income for the year	**(1,760)**	**8,362**

	2016	2015
	$000	**$000**
Financial position of parent entity at year end		
Current assets	97,634	27,213
Total assets	236,045	133,289
Current liabilities	12,710	10,920
Total liabilities	33,969	52,644

	2016	2015
	$000	**$000**
Total equity of parent entity comprising:		
Share capital	165,571	44,869
Share based payment reserve	7,993	1,691
Retained earnings	28,512	34,085
Total equity	**202,076**	**80,645**

(a) Parent entity contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2016 or 30 June 2015.

(b) Parent entity capital commitments for acquisition of property, plant and equipment

The parent entity had no capital commitments as at 30 June 2016 or 30 June 2015.

(c) Parent entity guarantees in respect of the debts of its subsidiaries

The parent entity had not entered into a deed of cross guarantee as at 30 June 2016 or 30 June 2015.

Notes to the financial statements (continued)

For the year ended 30 June 2016

18. Group information

Parent entity	**Country of incorporation**
WiseTech Global Limited	Australia

Subsidiaries	Country of incorporation	% Equity interest 2016	% Equity interest 2015
WiseTech Global Trading Pty Ltd	Australia	100.0	100.0
WiseTech Global (Australia) Pty Ltd	Australia	100.0	100.0
Translogix (Australia) Pty Ltd	Australia	100.0	100.0
Cargo Community Network Pty Limited	Australia	100.0	-
WiseTech Global (CA) Ltd	Canada	100.0	100.0
WiseTech Global (NZ) Ltd	New Zealand	100.0	100.0
WiseTech Global (HK) Ltd	Hong Kong	100.0	100.0
WiseTech (Shanghai) Information Technology Ltd	China	100.0	100.0
WiseTech Global (SG) Pte Ltd	Singapore	100.0	100.0
WiseTech Global (UK) Ltd	UK	100.0	100.0
WiseTech Global (US) Inc	USA	100.0	100.0
CargoWise GmbH	Germany	100.0	100.0
WiseTech Global (Pty) Ltd	South Africa	100.0	100.0
Core Freight Systems (Proprietary) Ltd	South Africa	100.0	100.0
Compu-Clearing Outsourcing Limited	South Africa	100.0	23.5
Compu-Clearing (Pty) Ltd	South Africa	100.0	23.5
Three DX Property and Investments (Pty) Ltd	South Africa	100.0	23.5
EDI Enterprise (Pty) Ltd	South Africa	100.0	23.5
Compu-Clearing Drome Property (Pty) Ltd	South Africa	100.0	23.5
Drome Road Share Block (Pty) Ltd	South Africa	100.0	23.5

19. Business combinations and acquisition of non-controlling interests

Significant accounting policies

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. Under the acquisition method, the business combination will be accounted for from the date that control is attained whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

The consideration transferred in the acquisition including any contingent consideration is generally measured at fair value as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Notes to the financial statements (continued)

For the year ended 30 June 2016

19. Business combinations and acquisition of non-controlling interests (continued)

Acquisitions in 2016

During the year, the Group acquired Compu-Clearing Outsourcing Limited ("CCL") and Cargo Community Network Pty Limited ("CCN"). Key information on the acquisitions is summarised in table below:

	CCL	CCN
	$000	$000
Property, plant and equipment	2,531	-
Intangible assets	3,009	-
Trade receivables	1,112	333
Cash and cash equivalents	1,823	839
Other assets	376	4
Trade and other payables	(1,228)	(139)
Deferred revenue	(237)	(86)
Current tax asset/(liability)	50	(106)
Deferred tax liabilities	(899)	-
Other liabilities	(49)	(4)
Fair value of net assets acquired	**6,488**	**841**
Total consideration	**24,945**	**3,367**
Goodwill	**18,457**	**2,526**
Acquisition related costs	**322**	**66**

Trade receivables acquired are stated at their fair values and the Group expects full recoverability of these acquired assets.

Compu-Clearing Outsourcing Limited

In the prior year, the Group held a 23.5% interest in CCL and this was recorded as an equity accounted investment.

On 31 July 2015, the Group entered into an arrangement with certain shareholders of CCL to acquire shares that brought the Group's holding to 51% and resulted in the Group obtaining control of CCL. Following this event, a shareholder vote in relation to a scheme of arrangement was held. The scheme was approved by the shareholders and by the Takeover Regulation Panel in South Africa, whereby the Group acquired the remaining 49% of shares outstanding of CCL on 4 September 2015. The results of CCL are consolidated from 31 July 2015, being the date the Group obtained control.

CCL is South Africa's industry leader in the provision of information technology products and services to the customs clearing, freight forwarding, air cargo and related industries.

The total consideration for CCL was $24.9m which was paid in the form of cash at a price per share of South African Rand 5.50 of which $5.6m was paid in the prior year for the acquisition of the initial 23.5% equity interest.

Date	Consideration transferred ($m)	Cumulative ownership (%)
16 June 2015	5.6	23.5%
31 July 2015	7.1	51%
4 September 2015	12.2	100%
Total	**24.9**	

Notes to the financial statements (continued)

For the year ended 30 June 2016

19. Business combinations and acquisition of non-controlling interests (continued)

Acquisitions in 2016 (continued)

Compu-Clearing Outsourcing Limited (continued)

In the 11 months to 30 June 2016, CCL contributed revenue of $6,686,754 and net profit after tax of $412,492, including integration related accelerated depreciation charge of $268,612. If the acquisition had occurred on 1 July 2015, management estimates that consolidated revenue would have been $7,392,754 and net profit after tax for the period would have been $607,612. In determining these amounts, management assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 July 2015.

A valuation was undertaken by Deloitte Touche Tohmatsu in relation to the acquired intangible assets with respect to customer relationships, reacquired rights, trade name and intellectual property. The methodology used to derive the value of customer relationships was the multi-period excess earnings method ("MEEM"). The MEEM considers the present value of net cash flows expected to be generated by the customer relationships and reacquired rights by excluding any cash flows related to contributory assets.

The royalty relief method was used to value the trade name whereby it considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents or trademarks being owned.

The replacement cost approach was used to value intellectual property.

Property, plant and equipment is measured at fair value using the market comparison technique which considers quoted market prices for similar items when they are available.

Goodwill

The goodwill is attributable mainly to the skills and technical talent of CCL's work force and the synergies expected to be achieved from integrating the company into the Group's existing business. The goodwill is not deductible for tax purposes.

Cargo Community Network Pty Limited

On 30 April 2016, the Group acquired CCN, the exclusive distributor in Australia and New Zealand of Cargo Community Network Pte Ltd's global messaging and applications for the air cargo industry.

CCN is the leading supplier of mission critical airline messaging solutions and data integration to support activities of the Australian and New Zealand cargo operations of some of the world's leading airlines, ground handling agents and freight forwarders.

Total consideration of $3,367,452 includes contingent consideration of $1,492,452.

In the two months to 30 June 2016, CCN contributed revenue of $235,000 and net profit after tax of $40,351. If the acquisition had occurred on 1 July 2015, management estimates that consolidated revenue would have been $1,362,000 and net profit after tax for the period would have been $240,000. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 July 2015.

A valuation was undertaken by management in relation to the acquired intangibles where it was determined that it consists only of goodwill.

Goodwill

The goodwill is attributable mainly to the synergies expected to be achieved from integrating the company into the Group's existing business. The goodwill is not deductible for tax purposes.

Notes to the financial statements (continued)

For the year ended 30 June 2016

19. Business combinations and acquisition of non-controlling interests (continued)

Acquisitions in 2015

During FY15, the Group acquired the trading assets of Shenzhen Zsoft Software Development Co. Ltd ("Zsoft") and Core Freight Systems (Proprietary) Limited ("CFS"). Key information on the acquisitions are summarised in table below:

	Zsoft	CFS
	$000	**$000**
Property, plant and equipment	32	20
Intellectual property	1,235	409
Customer relationships	796	937
Deferred tax assets	-	50
Trade receivables	101	317
Cash and cash equivalents	-	204
Trade and other payables	-	(180)
Current tax liabilities	-	(47)
Deferred tax liabilities	(291)	(377)
Fair value of net assets acquired	**1,873**	**1,333**
Cash	950	5,676
Contingent consideration	5,826	-
Total consideration	**6,776**	**5,676**
Goodwill	**4,903**	**4,343**
Acquisition related costs	**215**	**196**

The trade receivables balance represents the gross contractual balance and is expected to be collectible.

Shenzhen Zsoft Software Development Co. Ltd

On 16 March 2015, the Group acquired the trading assets of Shenzhen Zsoft Software Development Co. Ltd for a total consideration of $6,776,269. Zsoft is a leading freight-forwarding software provider in China and the acquisition of the assets will allow the Group to expand its presence in China.

In the period between acquisition date and the year end, Zsoft contributed revenue of $198,653 and net loss of $178,692 to the Group's results.

The Group has agreed to pay contingent consideration of $6,575,239 based on a number of milestones up until 31 December 2017, including the successful integration of customers onto CargoWise One.

A valuation was undertaken by Grant Thornton in relation to all assets acquired as part of the acquisition. In particular, the methodology used to derive the value of intellectual property and customer relationships was the income approach where forecasts of future cash flows were determined and an appropriate discount rate applied.

The goodwill is attributable mainly to the intellectual property, customer relationships and the synergies expected to be achieved from integrating the acquired business into the Group's existing business. The goodwill is not deductible for tax purposes.

Core Freight Systems (Proprietary) Ltd

On 1 June 2015, the Group acquired 100% of the shares of CFS, a South African-domiciled company, for a total consideration of $5,676,175. CFS is a leading player in the South African customs software market and allows the Group to expand its freight forwarding and clearing capabilities in South Africa.

In the period between acquisition date and the year end, CFS contributed revenue of $193,931 and net profit after tax of $29,976 to the Group's results. If the acquisition had occured on 1 July 2014, management estimates that consolidated revenue would have been $2,191,215 and net profit after tax for the year would have been $475,693.

Notes to the financial statements (continued)

For the year ended 30 June 2016

19. Business combinations and acquisition of non-controlling interests (continued)

Acquisitions in 2015 (continued)

The consideration of $5,676,175 was in the form of cash. The Group has further agreed to pay contingent consideration of $1,076,500 to the selling shareholders based on a number of milestones up until 1 June 2018. The consideration is conditional on continued employment of key shareholders and as such is considered post-combination services and not considered a part of the consideration transferred.

A valuation was undertaken by Deloitte Touche Tohmatsu in relation to acquired intangible assets with respect to intellectual property and customer relationships. The methodology used to derive the value of customer relationships was the multi-period excess earnings method ("MEEM") and the replacement cost approach was used to value the intellectual property. The MEEM considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.

The replacement cost approach was used to value intellectual property.

The goodwill is attributable mainly to intellectual property, customer relationships and the synergies expected to be achieved from integrating the acquired business into the Group's existing business. The goodwill is not expected to be deductible for tax purposes.

20. Employee benefits

Significant accounting policies

Short-term employee benefits

Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the Consolidated statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as employee benefits in the Consolidated statement of financial position.

Long-term employee benefits

Provision is made for employees' long service leave and not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, duration of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current employee benefits in its Statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current employee benefits.

Defined contribution superannuation benefits

All obligations for contributions in respect of employees' defined contribution superannuation benefits are recognised as an expense as the related service is provided.

Notes to the financial statements (continued)

For the year ended 30 June 2016

20. Employee benefits (continued)

Share-based payment transactions

As part of the IPO, the Group has determined to close out and settle equity incentives in existence at the prospectus date (and considered appropriate by the Company before it was listed). The incentive plan was modified to bring forward the vesting date to the date of IPO, accordingly the remaining value of the schemes were accelerated and expensed to profit or loss. This was completed through issuing of share rights and cash payments (with the ability for employees to reinvest in shares on IPO). The cost of this accelerated close-out amounted to $4,447,935 which was in addition to $2,421,850 that was expensed to profit or loss prior to the modification.

The Company modified the legacy ‘uncapped’ sales commission plan from a cash settled plan to an equity settled arrangement. The share rights were issued at the time of the IPO and are not subject to performance or employment hurdles or conditions and will not lapse if the holders employment with the Group terminates. An expense of $4,825,910 relating to the value of the equity issued and associated taxes of $1,363,275 were recognised in the Consolidated statement of profit or loss.

Total share-based payment related transaction costs of $13,058,970 consisted of non-cash share-based payment expense of $7,013,884 and cash settled expenses of $6,045,086 which is included within wages and salaries below.

	2016 $000	2015 $000
Wages and salaries	60,488	31,062
Share-based payment expense	7,014	921
Defined contribution superannuation expense	3,395	2,595
Total employee benefit expense	**70,897**	**34,578**

Annual leave and long service leave

	2016 $000	2015 $000
Current		
Annual leave	3,739	2,850
Long service leave	1,163	980
	4,902	**3,830**
Non-current		
Long service leave	699	588
	699	**588**
Total annual and long service leave	**5,601**	**4,418**

21. Key management personnel transactions

Key management personnel (“KMP”) are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, and include the Directors, executive and non-executive, and certain other senior executives.

Notes to the financial statements (continued)

For the year ended 30 June 2016

21. Key management personnel transactions (continued)

KMP compensation
The total remuneration of the KMP of the Company included within employee benefit expenses are as follows:

	2016	2015
	$000	$000
Short-term employee benefits	2,837	2,129
Post-employment benefits	181	258
Other long-term benefits	147	41
Share-based payments	1,382	219
Total KMP compensation	**4,547**	**2,647**

Short-term employee benefits
These amounts include fees and benefits paid to executive Directors and KMPs as well as salary, fringe benefits and cash bonuses awarded to the non-executive Chairperson and the other non-executive Directors.

Post-employment benefits
These amounts are the cost of superannuation contributions made during the year.

Other long-term benefits
These amounts represent long service leave and long-term annual leave benefits accruing during the year.

Share-based payments
These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the shares granted on grant date. As part of the IPO, the share-based payment schemes were closed out on or about completion of the IPO. This removed the vesting conditions and accordingly, the remaining cost was expensed to profit or loss.

Loans to KMP
An unsecured loan to key management personnel was issued during the year ended 30 June 2016 for $158,333. The loan must be repaid in full at the earlier of 31 December 2016 or if employment with the Group ceases.

KMP transactions
Directors of the Company controlled 67.72% (2015: 79.58%) of the voting shares of the Company as at 30 June 2016. A number of KMP, or their related parties, hold positions in other companies that result in them having control or significant influence over these companies.A number of these companies transacted with the Group during the year. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-KMP related companies on an arm's length basis.

The aggregate value of transactions and outstanding balances related to KMP and entities over which they have control or significant influence were as follows:

		Transaction values for the year ended 30 June		Balance outstanding as at 30 June	
		2016	2015	2016	2015
Director	**Transactions**	**$000**	**$000**	**$000**	**$000**
R White & M Isaacs	Company apartment rent (1)	136	151	-	-
R White & M Isaacs	US office costs (2)	620	336	-	499
R White & M Isaacs	Professional service fee	-	44	-	-
R White & M Isaacs	Data centre costs (2)	533	-	533	-
R White & M Isaacs	Office services agreement	18	-	-	-
R White & M Isaacs	Sale of plant and equipment	-	15	-	-
R White & M Isaacs	Interest on loan	-	15	-	-

(1) The Group entered into various apartment leases with RealWise Holdings Pty Ltd, a company controlled by R White and M Isaacs. Amounts were billed based on normal market rates for such leases and were due and payable under normal payment terms.
(2) The US office and data centre is in a building owned by Realwise Investments LLC, a company controlled by R White & M Isaacs. These arrangements were agreed on normal market rates.

Notes to the financial statements (continued)

For the year ended 30 June 2016

22. Auditors' remuneration

	2016	2015
	$	$
Audit and assurance related services		
KPMG Australia		
Audit and review of the financial reports	397,000	213,500
Audit and assurance related services		
KPMG overseas		
Audit of statutory financial reports (KPMG overseas)	94,000	109,128
Due diligence services (KPMG overseas)	33,395	87,831
Total audit and assurance services KPMG overseas	**127,395**	**196,959**
Total audit and assurance services	**524,395**	**410,459**
Other services:		
KPMG Australia		
IPO due diligence services	2,050,000	-
Other assurance and taxation services	302,915	199,474
Total other services KPMG Australia	**2,352,915**	**199,474**
Total other services	**2,352,915**	**199,474**
Total auditors' remuneration	**2,877,310**	**609,933**

23. Reconciliation of net cash flows from operating activities

	2016	2015
	$000	**$000**
Profit after income tax	2,167	10,157
Non-cash items:		
Depreciation	4,528	2,288
Amortisation	6,666	4,450
Doubtful debt expense	83	338
Net finance costs/(income)	1,187	526
Unrealised foreign exchange	44	-
Share-based payment expense	7,014	921
Gift shares	405	-
Share of profit from equity accounted investees, net of tax	-	(13)
Unwinding of contingent consideration	514	146
Option premium	(1,544)	-
Exchange differences on cash balances	4	-
Change in assets and liabilities:		
Increase in trade receivables	(2,824)	(3,242)
Increase in other current and non-current assets	(2,038)	(1,325)
Increase in trade and other payables	1,757	2,997
Increase/(decrease) in current tax liabilities	611	(934)
(Decrease)/increase in deferred tax payable	(2,400)	3,447
Increase/(decrease) in other liabilities	1,240	(53)
Increase in deferred revenue	2,489	338
Increase in provisions	1,179	1,287
Net cash flow from operating activities	**21,082**	**21,328**

Notes to the financial statements (continued)

For the year ended 30 June 2016

24. Segment information

The Group manages its operations as a single business operation and there are no parts of the Group that qualify as operating segments under AASB 8 Operating Segments. The CEO (Chief Operating Decision Maker or "CODM") assesses the financial performance of the Group on an integrated basis only and accordingly, the Group is managed on the basis of a single segment.

Information presented to the CODM on a monthly basis is categorised by type of revenue, recurring and non-recurring. This analysis is presented below:

Continuing operations	2016	2015
	$000	$000
Recurring revenue	101,213	67,330
Non-recurring revenue	1,596	2,673
Total revenue	**102,809**	**70,003**
Segment profit before tax	**3,452**	**14,599**

In general, a large amount of revenue is generated by customers that are global, from transactions that cross multiple countries and where the source of revenue can be unrelated to the location of the users using the software. Accordingly, the Group is managed as a single segment. The amounts for revenue by region in the following table are based on the invoicing location of the customer.

There were no customers contributing more than 10% of revenue during the current and comparative period.

Geographic information

Revenue generated by location of customer (billing address):

	2016	2015
	$000	$000
Asia Pacific	44,127	37,438
Americas	33,262	20,937
Europe, Middle East and Africa ("EMEA")	25,420	11,628
Total revenue	**102,809**	**70,003**

Non-current assets by geographic location:

	2016	2015
	$000	$000
Asia Pacific	88,522	69,674
Americas	1,711	3,023
EMEA	28,502	14,050
Total	**118,735**	**86,747**

Notes to the financial statements (continued)

For the year ended 30 June 2016

25. Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument.

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

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

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

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

The Group does not designate any interests in subsidiaries, associates or joint arrangements as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Notes to the financial statements (continued)

For the year ended 30 June 2016

25. Financial instruments (continued)

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated, so that the loss events that have occurred are duly considered.

Fair value of assets and liabilities

The fair values of the Level 3 contingent consideration is shown below:

	2016		2015	
	Fair value $000	**Carrying amount $000**	**Fair value $000**	**Carrying amount $000**
Contingent consideration	6,203	5,561	5,143	4,487

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy is provided below:

2015	**$000**
Opening balance	-
Foreign exchange differences	-
Additions/accruals	4,487
Cash paid	-
Closing balance	**4,487**

2016	**$000**
Opening balance	4,487
Foreign exchange differences	(9)
Additions/accruals	2,355
Cash paid	(1,272)
Closing balance	**5,561**

The Group has contingent consideration measured at fair value at 30 June 2016 and 30 June 2015 in relation to contingent consideration arising out of the acquisition of Zsoft, CFS and CCN. The contingent consideration is deemed to be a Level 3 measurement of fair value which will be paid over various periods from the acquisition date up to FY18 in relation to Zsoft and CFS and has been discounted accordingly based on a number of milestones including the successful integration of customers into CargoWise One. The contingent consideration in relation to CCN is expected to be settled in year ending 30 June 2017.

There is also an unexpensed portion of contingent consideration in relation to CFS of $326,441 which represents the remaining amount of contingent consideration that will be expensed up until 1 June 2018.

The fair value of the Softship AG ("Softship") equity securities are a Level 2 measurement of fair value based on quoted prices of the security which is listed on the Frankfurt Stock Exchange.

Notes to the financial statements (continued)

For the year ended 30 June 2016

25. Financial instruments (continued)

Financial risk management objectives and policies

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

(a) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established an audit and risk committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit and risk committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The Group's standard payment and delivery terms and conditions are that payment is generally due within 30 days on receipt of any invoice and the preferred payment options are by direct debit from a bank account or credit card. No limits are used and the Group's receivables are carefully managed by the credit management team.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base including the default risk of the industry and country in which customers operate.

The maximum exposure to credit risk at balance date to recognised financial assets, is the carrying amount, net of any provision for impairment of those assets, as disclosed in the Consolidated statement of financial position. These predominantly relate to trade receivables. Refer note 10 for further details.

Cash and cash equivalents

The Group held cash and cash equivalents of $109,526,858 at 30 June 2016 (2015: $43,154,717). The cash and cash equivalents are held with credit-worthy bank and financial institution counterparties.

Notes to the financial statements (continued)

For the year ended 30 June 2016

25. Financial instruments (continued)

Financial risk management objectives and policies (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by monitoring net cash balances, actual and forecast operating cash flows and unutilised debt facilities.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

		Contractual cash flow		
2016	**Carrying amount $000**	**Total $000**	**Less than 1 year $000**	**1 - 5 years $000**
Financial liabilities				
Contingent consideration	5,561	(6,203)	(3,997)	(2,206)
Finance lease liabilities	6,324	(6,716)	(3,970)	(2,746)
Trade payables	119	(119)	(119)	-
Other payables	8,565	(8,565)	(8,565)	-
Total	**20,569**	**(21,603)**	**(16,651)**	**(4,952)**

		Contractual cash flow		
2015	**Carrying amount $000**	**Total $000**	**Less than 1 year $000**	**1 - 5 years $000**
Financial liabilities				
Bank overdrafts	50	(50)	(50)	-
Bank loan	24,000	(26,916)	(972)	(25,944)
Contingent consideration	4,487	(5,143)	(1,577)	(3,566)
Finance lease liabilities	6,675	(7,309)	(4,089)	(3,220)
Trade payables	1,323	(1,323)	(1,323)	-
Other payables	4,383	(4,383)	(4,383)	-
Total	**40,918**	**(45,124)**	**(12,394)**	**(32,730)**

Bank loan

On 21 April 2016, the Group extended its facility agreement with Westpac Banking Corporation for a further 18 months and increased its overall facility lines to:

• Tranche A $10,000,000 (2015: $15,000,000): revolving multi-option facility for general corporate purposes expiring in September 2019
• Tranche B $45,000,000 (2015: $30,000,000): revolving acquisition facility to fund permitted acquisitions expiring in September 2019.

As at 30 June 2016, no drawdown on the facility had been made. As at 30 June 2015, $24,000,000 was drawn under Tranche B to finance strategic acquisitions. This amount has subsequently been repaid.

The facility agreement is secured by fixed and floating charges over the whole of the Group's assets including goodwill and uncalled capital.

Notes to the financial statements (continued)

For the year ended 30 June 2016

25. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Finance costs are broken down as follows:

	2016	2015
	$000	**$000**
Interest expense	838	368
Interest on finance lease liabilities	480	339
Option premium	633	-
Other	491	145
Total	**2,442**	**852**

(d) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will adversely affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The source and nature of this risk arise from operations and translation risks.

The Company's reporting currency is Australian dollars. However, the international operations give rise to an exposure to changes in foreign exchange rates as the majority of its revenue from outside of Australia is denominated in currencies other than Australian dollars, most significantly US dollars ("USD"), pounds sterling ("GBP"), South African Rand ("ZAR"), and Euro ("EUR").

The Group has exposures surrounding foreign currencies due to non-functional transactions within operations in different overseas jurisdictions.

A reasonably possible strengthening (weakening) of the US dollar, pound sterling, South African Rand and Euro against all other currencies at 30 June 2016 would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

For the year ended 30 June 2016

25. Financial instruments (continued)

Financial risk management objectives and policies (continued)

	30 June 2016	30 June 2015	Profit or loss		Equity	
			Change (+10%)	Change (-10%)	Change (+10%)	Change (-10%)
	$000	$000	$000	$000	$000	$000
USD						
Derivatives	-	-	-	-	1,162	-
Net trade receivables/(payables) exposure	2,745	2,919	(112)	305	-	-
GBP						
Net trade receivables/(payables) exposure	214	164	(19)	24	-	-
ZAR						
Net trade receivables/(payables) exposure	369	-	(34)	41	-	-
EUR						
Net trade receivables/(payables) exposure	763	519	(69)	85	-	-

Notes to the financial statements (continued)

For the year ended 30 June 2016

25. Financial instruments (continued)

Financial risk management objectives and policies (continued)

The Company enters into derivative financial instruments to hedge its foreign currency risk exposures. Derivatives are recognised initially at fair value. Subsequent to initial recognition, derivatives are measured at fair value. Ineffective changes in the fair value of any derivative are recognised immediately in profit or loss.

Ineffectiveness during the year was nil (2015: nil) and is deemed to be a Level 2 measurement of fair value.

The Group has entered into USD options to protect the Company's USD currency exposure in FY16 and FY17. The foreign currency option contracts protect approximately 60% of forecast revenue exposure which equates to approximately 90% of the net exposure to fluctuations in the USD exchange rate in FY16 and FY17.

The following table indicates the periods in which the cash flows associated with cash flow hedges are expected to occur and the carrying amounts of the related hedging instruments:

Asset	Carrying amount	Financial asset	Financial liability	Less than 1 year	Greater than 1 year
	$000	$000	$000	$000	$000
USD options	933	933	-	933	-

Interest rate risk

The Group's facility agreement enables it to borrow at floating rates of interest and hold cash that earns interest at floating rates. Consequently, the Group's cash flows are exposed to the impact of adverse changes in benchmark interest rates.

Exposure to interest rate risk

The Group is exposed to variable interest rate risks at the reporting date on the interest bearing financial assets (i.e. cash and short-term deposits) of $109,526,858 (2015: $43,154,717) and interest bearing financial liabilities (i.e. borrowings) of $nil (2015: $24,000,000).

Cash flow sensitivity analysis for variable interest rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased or decreased profit after tax by $770,000 (2015: $131,439). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Equity price risk

The Group is exposed to equity price risk which arises from the available-for-sale equity securities in relation to the Group's investment in Softship, a German-domiciled entity which is listed on the Frankfurt Stock Exchange. Softship is a provider of software solutions to the international liner shipping industry and the value of the Group’s investment at reporting date was $4,302,584 which represents a 19.99% (2015:18.07%) shareholding. These equity securities are designated as available-for-sale financial assets with movements recorded through the fair value reserve within equity.

	2016	2015
	$000	$000
Equity securities - available for sale	4,303	2,018
	4,303	**2,018**

An increase/decrease of 10% in the value of equity securities would have an effect of increasing/decreasing in the value by $430,258 (2015: $201,773) respectively.

Notes to the financial statements (continued)

For the year ended 30 June 2016

25. Financial instruments (continued)

Financial risk management objectives and policies (continued)

From 1 July 2016, the Group increased its strategic investment in Softship from 19.99% to 50.01%. While the Company has made no offer, nor has the Company entered into any agreement with respect to the full acquisition of Softship, the 50.01% investment provides the Company with financial control and financial consolidation.

26. Leasing and capital commitments

Finance leases

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to entities in the Group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Assets held under other leases are classified as operating leases and are not recognised in the Group's Statement of financial position. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as an expense on a straight-line basis over the term of lease.

Lease incentives received are recognised as an integral part of the total lease expenses over the lease term.

	2016			2015		
	Minimum payments	**Interest**	**Present value of payments**	**Minimum payments**	**Interest**	**Present value of payments**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**
Within one year	3,972	313	3,659	4,031	280	3,751
After one year but not more than five years	2,744	79	2,665	3,144	220	2,924
	6,716	**392**	**6,324**	**7,175**	**500**	**6,675**

Finance leases for computer equipment are for a period of three years. The leases are non-cancellable but do not contain any further restrictions.

Operating lease commitments - Group as lessee

	2016	2015
	$000	**$000**
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Within one year	3,373	1,770
After one year but not more than five years	13,332	1,307
More than five years	3,098	-
	19,803	**3,077**

Notes to the financial statements (continued)

For the year ended 30 June 2016

26. Leasing and capital commitments (continued)

Operating lease commitments - Group as lessee (continued)

The operating leases are for the Group's premises and computer equipment for periods of one to seven years.

The finance and operating lease expenses charged to profit or loss for FY16 were $2,842,265 (2015: $3,308,048).

Capital commitments

The Group has the following capital commitments:

	2016 $000
Leasehold improvements	1,265
Total commitments	**1,265**

27. Other disclosures

(a) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of WiseTech Global Limited and all of the subsidiaries. Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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 over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

(b) Foreign currency transactions and balances

Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the exchange rate at the reporting date. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise, the exchange difference is recognised in profit or loss.

27. Other disclosures (continued)

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities including goodwill and fair value adjustments arising on acquisition are translated at exchange rates prevailing at the reporting date
- income and expenses are translated at average exchange rates for the period
- retained earnings are translated at the exchange rates prevailing at the date of the transactions.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the Statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

(c) Provisions

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

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(d) Significant accounting judgements, estimates and assumptions

In preparing the Group financial statements, management is required to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. The resulting accounting estimates, which are based on management's best judgement at the date of the Group financial statements, will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to tax and goodwill which are disclosed in notes 4 and 7. Critical judgements relate to intangible assets which are disclosed in note 7.

(e) Measurement of fair values

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

27. Other disclosures (continued)

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset of liability), or, in the absence of such a market, the most advantageous market available to the entity at reporting date (i.e. the market that maximises the receipts from the sale of the asset or minimises the payment made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

Fair value hierarchy

Significant valuation issues are reported to the Audit and Risk Management Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(f) Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2016 and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below:

(i) AASB 9 Financial Instruments (2013), AASB 9 Financial Instruments (2010) and AASB 9 Financial Instruments (2009) (together "AASB 9")

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. AASB 9 (2010) introduces additional changes relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of AASB 9 and add new requirements to address the impairment of financial assets.

The Group intends to early adopt AASB 9 with effect from 1 July 2016. The Group has performed an initial assessment of the impact to the financial statements where the impact would reduce finance costs and reduce other comprehensive income by $633,300. Under AASB 9, the time value of money associated with options designated in a hedge relationship is able to be deferred in cash flow hedge reserve instead of being charged to profit or loss.

Notes to the financial statements (continued)

For the year ended 30 June 2016

27. Other disclosures (continued)

(ii) AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 Revenue, AASB 111 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. The IASB has agreed to defer the mandatory application of IFRS 15 Revenue from contracts with customers to years beginning on or after 1 January 2018. The Australian Accounting Standards Board is yet to confirm this deferral. The Group is yet to undertake a detailed assessment on the potential impact on its consolidated financial statements resulting from the application of AASB 15.

(iii) AASB 16 Leases

AASB 16 removes the classification of leases as either operating or finance lease - for the lessee - effectively treating all leases as finance leases. Short-term leases (less than 12 months) and leases of low-value assets (such as personal computers) are exempt from the lease accounting requirements. There are also changes in accounting over the life of a lease. In particular, companies will now recognise a front-loaded pattern of expense for most leases, even when they pay constant annual rentals. Lessor accounting remains similar to current practice - lessors continue to classify leases as finance and operating leases. The standard will be effective beginning on or after 1 January 2019.

The Group is yet to undertake a detailed assessment on the potential impact on its consolidated financial statements resulting from the application of AASB 16.

(g) Events after reporting period

On 1 July 2016, the Group increased its strategic investment in Softship from 19.99% to 50.01%. While the Company has made no offer, nor has the Company entered into any agreement with respect to the full acquisition of Softship, our 50.01% investment provides the Company with financial control and financial consolidation.

German domiciled and listed, Softship is a leading provider of logistics software solutions to the global sea-freight industry with a significant European customer base.

(h) Contingent assets and contingent liabilities

There were no contingent assets or liabilities that have been incurred by the Group in relation to FY16 or FY15.