



## Release of Appendix 4E Preliminary Final Report

For the Year Ended 30 June 2014

### ICSGlobal - Consistent Growth in the UK - Increased Profit and Cash Dividend Maintained

Dear Shareholders,

ICS is pleased to announce its final profit result of \$624,662 for the 2014 financial year and declare an unfranked final dividend of 0.1 cents per share with a record date of 24 October 2014 and payment on 14 November 2014.

Highlights of the financial year ended 30 June 2014 include:

- **Profit after tax from ordinary activities up 17% to \$624,662 from 2013 (\$532,403) and in line with previous guidance.**
- **Profit before tax from continuing operations up 78% to \$554,575 from 2013 (\$312,351) and in line with previous guidance.**
- **Revenue from continuing operations up 33% to \$2,962,331 from 2013 (\$2,222,727).**
- **Net cash from operating activities up 111% to \$1,149,911 from 2013 (\$545,528).**
- **Medical Billing & Collection (“MBC”) revenue up 14% to £1,651,439 from 2013 (£1,446,826) and profit (before tax and internal charges) up 16% to £493,819 from 2013 (£427,540).**
- **MBC profit growth despite additional one-off costs from the relocation of UK office in March 2014 and additional depreciation & amortisation expense from \$285,562 investment in software and fit out for the new premises.**
- **MBC’s growth trend continues with MBC signing up its largest customer in Q1 2015.**
- **Final 2014 dividend maintained at 0.1 cents per share (unfranked) in addition to an inaugural interim and special dividends totalling 0.1 cents per share paid in April 2014.**
- **The Company has completed an initial Share Buy Back Programme, purchasing 572,834 shares, during the 2014 year.**

#### Overview

The 2014 financial year has seen ICS increase net profit and cash by continuing to profitably grow its UK operations while maintaining cost control in Australia. The Board was particularly pleased with the 78% growth in 2014 earnings from continuing operations (primarily from MBC) to \$554,575<sup>1</sup> from 2013 (\$312,351).

ICS is continuing to improve its financial position and is well placed to continue to support its UK business and to continue to consider other opportunities for investment and acquisition. Throughout the year a further \$285,562 was invested in the MBC platform from free cash flow to support new software and fit out for the new premises.

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<sup>1</sup> Includes \$73,325 FX gain of which \$101,390 gain was attributable to H1 and a FX loss of \$28,065 for H2.

ICS has also achieved ongoing capital efficiencies in the business by:

- Maintaining the final dividend for the 2014 year at 0.1 cents per ordinary share (unfranked); and
- Returning further capital to shareholders by:
  - Paying an inaugural interim and special dividends totalling 0.1 cents per share in April 2014;and
  - Conducting an initial Share Buy Back Programme, purchasing 572,834 of shares, during the 2014 year.

Similar to previous years, the Board intends to release 2015 guidance at the Annual General Meeting in November 2014.

## Financial Results

The financial result for the year ended 30 June 2014 was an overall net profit after tax of \$624,662.

### Key Financial Information

	2014	2013	Change
	\$ AUD	\$ AUD	%
Revenue from Continuing Operations	2,962,331	2,222,727	33%
Profit/(loss) after tax attributable to shareholders	624,662	532,403	17%
UK Profit before tax excluding corporate re-charges	880,757	656,091	34%
Profit/(loss) from continuing operations before tax	554,575	312,351	78%
Profit/(loss) from continuing and discontinuing operations before tax	563,884	460,816	22%
Earnings before Interest, Depreciation and Tax (EBITDA)	686,191	554,225	24%
Net Cash from operating activities*	1,149,911	545,528	111%
Net Assets	4,382,195	4,093,038	7%
Earnings per share			
Basic (cents)	0.304	0.273	11%
Diluted (cents)	0.297	0.262	13%
NTA per ordinary share (cents)	0.94	0.84	12%
Cash and equivalents at reporting date (excluding UK customers' cash)**	1,162,598	1,132,660	3%

\* Includes \$408,124 increase in cash held on behalf of customers

\*\* Cash at reporting date is after \$411,102 of dividends paid during 2014 vs \$192,624 in 2013 and \$283,562 spent on investment in the UK in 2014

## UK Business

ICS's MBC business in the UK continued to be the Board's key focus during the year. Working with the Company's UK Manager, Garry Chapman, the marketing strategy that was launched in 2013 is now producing results with an ever increasing number of specialists utilising MBC's services and in Q 1 2015 MBC signed up its largest customer to date. Over the past year MBC has employed additional staff, including a General Manager in order to resource the increased growth in the business and to take advantage of further operational leverage in the business going forward.

MBC continues to grow strongly with underlying earnings before tax and corporate re-charges growing in local currency terms by 16% from £427,540 in 2013 to £493,819 in 2014. This increase in earnings was driven by a 15% growth in revenue from £1,446,826 in 2013 to £1,651,439 in 2014.

This performance in the UK has been achieved despite:

- The one off costs of MBC moving office premises in March 2014 of c.\$35,000 and increased depreciation and amortisation costs of c\$29,000 relating to the \$285,562 invested to support new software and fit out for the new UK premises; and
- Difficult economic conditions in the UK resulting in a reduction in clients covered by private medical insurance as well as the insurers seeking to reduce claims by capping the fees charged by medical consultants.

MBC has been able to offset these headwinds through:

- The addition of new practitioners as a result of a marketing initiatives and increased referrals due to a larger customer base; and
- Increased efficiencies within the business by implementing a number of new software initiatives, including automated credit card processing to improve service and reduce operating costs.

Looking ahead, there appears to be some early signs of economic recovery in the UK and therefore, over time, the Board expects to see a further pick up in revenues flowing from both an increase in clients covered by private medical insurance combined with an ever increasing portfolio of specialists.

## Discontinued Operations

The main item that comprises discontinued operations is the Thelma earn out. Since the sale of its Thelma business in 2010, the Company has continued to be entitled to receive earn out payments in connection with the business. Under the terms of the Sale Agreement, these payments cease if eHealthWise Pty Limited sells the Thelma business as defined under the Sale Agreement.

In February 2014, Wisetech Global Pty Limited advised that it had sold all its shares in eHealthWise Pty Limited to a subsidiary of the Japanese listed group, SMS Limited. The Company is of the view that this does not constitute a sale of the business under the terms of the Sale Agreement by eHealthWise Pty Limited and therefore does not bring to an end any potential further earn out payments in connection with the Thelma business. The earn out payments for the 2014 year have not yet been calculated and paid by eHealthWise Pty Limited. The Company has commenced steps to recover these payments.

The Company's entitlement to the receipt of any further earn out payments is dependent on the success of its steps to recover the amount owed and the underlying performance of the Thelma business.

## Australian Costs & Board Involvement

During the year further steps were taken to control corporate costs in Australia including reductions in accounting, insurance and company secretarial costs. The corporate costs in Australia continue to run below \$400,000 per annum despite increases in regulatory charges, including ASX listing fees.

The members of the Board are directly active in the running and management of the ICS Group, including the operations of MBC, whilst maintaining the corporate costs in Australia. A significant amount of additional functions are performed by Board members, including:

- Internal legal/due diligence functions performed for ICS, MBC and on new opportunities; and
- Introducing strategic relationships and opportunities to MBC.

In May this year one of our Directors, Greg Quirk, made an important visit to MBC whilst in the UK, to have direct meetings with Garry Chapman and the new General Manager.

## Capital Management

The Board has continued to consider and where appropriate execute capital management strategies. The primary initiatives this year have been:

- Maintaining the final dividend at 0.1 cents per share (unfranked) for the year ended 30 June 2014;
- Paying an inaugural interim and special dividends totalling 0.1 cents per share in April 2014; and
- Completing an initial Share Buy Back Programme, purchasing 572,834 shares.

Given the capital position of the Company, the Board maintains the flexibility to consider future capital management strategies.

## **New Opportunities for ICS Global**

The Board has continued to investigate value adding transactions for the Company ranging from passive and active investments to outright business acquisitions in Australia and the UK. Some of these opportunities have advanced to due diligence stage, however to date none have provided the appropriate risk balance between price and shareholder return.

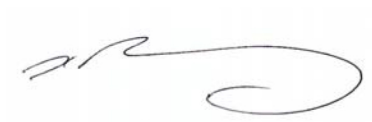
The Board is currently reviewing a number of opportunities.

In line with the current financial resources, the Company is continuing to strive to operate under a low cost model, in order to continue to increase shareholder value.

Please find attached our Appendix 4E Preliminary Final Report.

Thank you for your on-going support.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Kevin Barry', is written over a light grey rectangular background.

Kevin Barry  
Chairman

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**ICSGlobal Limited**  
**Appendix 4E**  
**Preliminary final report**

**1. Company details**

Name of entity: ICSGlobal Limited  
 ABN: 72 073 695 584  
 Reporting period: For the year ended 30 June 2014  
 Previous period: For the year ended 30 June 2013

**2. Results for announcement to the market**

			\$
Revenues from ordinary activities	up	33.3% to	2,962,331
Profit from ordinary activities after tax attributable to the owners of ICSGlobal Limited	up	17.3% to	624,662
Profit for the year attributable to the owners of ICSGlobal Limited	up	17.3% to	624,662

*Dividends*

	Amount per security Cents	Franked amount per security Cents
Final dividend for the year ended 30 June 2013 (unfranked), with a record date of 25 October 2013 was paid on 12 November 2013	0.100	-
Interim dividend for the year ended 30 June 2014 (unfranked), with a record date of 14 March 2014, was paid on 11 April 2014	0.050	-
Special dividend for the year ended 30 June 2014 (unfranked), with a record date of 14 March 2014, was paid on 11 April 2014	0.050	-

Final dividend for the year ended 30 June 2014 of 0.10 cents per ordinary share, unfranked, with a record date of 24 October 2014 to be paid on 14 November 2014.

*Comments*

The profit for the consolidated entity after providing for income tax amounted to \$624,662 (30 June 2013: \$532,403).

Further commentary on the business operations and developments by directors are contained in the attached letter from the chairman.

**3. Net tangible assets**

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.94</u>	<u>0.84</u>

**4. Control gained over entities**

Not applicable.

**5. Loss of control over entities**

Not applicable.

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## 6. Dividends

### *Current period*

	Amount per security Cents	Franked amount per security Cents
Final dividend for the year ended 30 June 2013 (unfranked), with a record date of 25 October 2013 was paid on 12 November 2013	0.100	-
Interim dividend for the year ended 30 June 2014 (unfranked), with a record date of 14 March 2014, was paid on 11 April 2014	0.050	-
Special dividend for the year ended 30 June 2014 (unfranked), with a record date of 14 March 2014, was paid on 11 April 2014	0.050	-
Final dividend for the year ended 30 June 2014 of 0.10 cents per ordinary share, unfranked, with a record date of 24 October 2014 to be paid on 14 November 2014.		

### *Previous period*

	Amount per security Cents	Franked amount per security Cents
Final dividend for the year ended 30 June 2013 paid on 12 November 2013	0.100	-

## 7. Dividend reinvestment plans

Not applicable.

## 8. Foreign entities

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

## 9. Audit qualification or review

*Details of audit/review dispute or qualification (if any):*

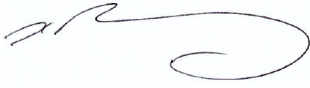
The financial statements have been audited and an unqualified opinion has been issued.

## 10. Attachments

*Details of attachments (if any):*

The Annual Report of ICSGlobal Limited for the year ended 30 June 2014 is attached.

11. Signed



Signed \_\_\_\_\_

Date: 26 August 2014

Kevin Barry  
Chairman  
Sydney

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**ICSGlobal Limited**

**ABN 72 073 695 584**

**Annual Report - 30 June 2014**

**ICSGlobal Limited  
Corporate directory  
30 June 2014**

Directors	Kevin Barry Gregory Quirk Victor Shkolnik James Canning-Ure
Company secretary	Gregory Quirk
Notice of annual general meeting	The details of the annual general meeting of ICSGlobal Limited are: Hall Chadwick Level 40 2 Park Street Sydney NSW 2000 10:00 AM on Thursday 20 November 2014
Registered office	Suite 3.03 20 Bond Street Sydney, NSW 2000 Telephone: +61 2 8073 7888
Share register	Boardroom Pty Limited Level 7 207 Kent Street Sydney, NSW 2000 Shareholders enquiries: +61 2 9290 9600
Auditor	Hall Chadwick Level 40 2 Park Street Sydney, NSW 2000
Solicitors	Clayton Utz Level 15, 1 Bligh Street Sydney, NSW 2000
Stock exchange listing	ICSGlobal Limited shares are listed on the Australian Securities Exchange (ASX code: ICS)
Website	<a href="http://www.icsglobal.net">www.icsglobal.net</a>

**ICSGlobal Limited**  
**Directors' report**  
**30 June 2014**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of ICSGlobal Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2014.

**Directors**

The following persons were directors of ICSGlobal Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Kevin Barry - Chairman  
Gregory Quirk  
Victor Shkolnik  
James Canning-Ure

**Principal activities**

The principal activities of the consolidated entity during the financial year were the operations of an investment holding company in Australia and the provision of medical billing services, specifically in the United Kingdom ('UK').

**Dividends**

Dividends paid during the financial year were as follows:

	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Final dividend for the year ended 30 June 2013 of 0.1 cents per ordinary share	200,051	192,624
Interim dividend for the year ended 30 June 2014 of 0.05 cents per ordinary share	105,525	-
Special dividend for the year ended 30 June 2014 of 0.05 cents per ordinary share	105,526	-
	<u>411,102</u>	<u>192,624</u>

Final dividend for the year ended 30 June 2014 of 0.10 cents per ordinary share to be paid on 14 November 2014, a total distribution of \$211,051. The dividend will not be franked.

**Review of operations**

The profit for the consolidated entity after providing for income tax amounted to \$624,662 (30 June 2013: \$532,403).

The 2014 financial year has seen the consolidated entity increase net profit by 17% from \$532,403 in 2013 to \$624,662 in 2014. This was achieved by continuing to profitably grow its UK business and control costs in Australia. Profit from continuing operations (excluding tax adjustments) increased by 78% to \$554,576 (30 June 2013 \$312,350). Net increase in cash and cash equivalents increased 28% from \$1,580,766 in 2013 to \$2,018,828 in 2014.

The consolidated entity's primary operating business, Medical Billing and Collections ('MBC') in the UK, continued to show consistent growth. Revenue increased by 15% and profit before tax and corporate re-charges increased 16% from £427,540 in 2013 to £493,819 in 2014. This growth was achieved despite the economic conditions in the UK which affected MBC's clients and having regard to the costs associated with the recent move of the MBC office in the UK.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

**Matters subsequent to the end of the financial year**

Thelma Pty Ltd (100% owned ICS subsidiary) has commenced steps to recover payments owing on the Thelma earn-out trail.

No other matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

### Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have been described in the review of operations above.

### Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

### Information on directors

Name: Kevin Barry  
Title: Chairman and Non-Executive Director  
Qualifications: Bachelor of Commerce and Laws  
Experience and expertise: Kevin has over 18 years' experience in the legal and investment banking industries. He commenced his career at KPMG in 1996 and has worked as a qualified solicitor in Norton Rose in London and Blake Dawson Waldron in Sydney specialising in taxation and banking and finance. In 2001 Kevin moved into investment banking and principal finance as a Senior Vice President with Zurich Capital Markets specialising in debt capital markets and corporate advisory. Kevin is currently one of the founders and Executive Directors of the Thakral Capital Investment Division.

Other current directorships: None  
Former directorships (last 3 years): None  
Special responsibilities: None  
Interests in shares: 10,578,714 ordinary shares  
Interests in options: None  
Interests in rights: None

Name: Gregory Quirk  
Title: Non-Executive Director  
Qualifications: Bachelor of Business, CPA  
Experience and expertise: Greg has over 28 years' experience in Senior Finance, Commercial and Risk Management roles working in large companies in Australia and overseas. For 10 years he held a number of roles in Burns Philp and the Rank Group including Group Financial Controller and Risk Manager. Greg has extensive experience in global M&A transactions, private equity and capital raisings.

Other current directorships: None  
Former directorships (last 3 years): None  
Special responsibilities: Member of the Audit Committee  
Interests in shares: 6,039,007 ordinary shares  
Interests in options: None  
Interests in rights: None

Name: Victor Shkolnik  
Title: Non-Executive Director  
Qualifications: Bachelor of Economics, Fellow of Financial Services Institute of Australasia and CPA Australia.

Experience and expertise: Victor has over 26 years' experience in the investment banking and finance industry, specialising in credit risk management, property and mortgage financing. He has held a variety of roles, amongst them a director and senior vice president in the risk management divisions of Deutsche Bank and Bankers Trust Australia, head of credit with Zurich Capital Markets and chief credit officer with the Challenger Group. During this time he was responsible for credit risk and involved in numerous transactions across a diverse range of asset classes and financial products. More recently, Victor was co-founder of a mortgage financing company. Victor is currently one of the founders and Executive Directors of the Thakral Capital Investment Division.

Other current directorships: None  
Former directorships (last 3 years): None  
Special responsibilities: Chairman of the Audit Committee  
Interests in shares: 6,210,231 ordinary shares  
Interests in options: None  
Interests in rights: None

**ICSGlobal Limited**  
**Directors' report**  
**30 June 2014**

Name: James Canning-Ure  
Title: Non-Executive Director  
Experience and expertise: James has over 23 years' experience in business management, capital raisings and corporate advisory, in the resources, eCommerce and property industries. James has spent years as managing director at Macarthur Minerals, Finance Director at MGA Steel Building and managing director at Global Approach. James heads Cannings Corporate Communications Brisbane office.  
Other current directorships: Moreton Resources Ltd ( ASX: MRV). Appointed on 28 November 2013.  
Former directorships (last 3 years): Orion Metals Limited (resigned 11 April 2011)  
Special responsibilities: None  
Interests in shares: 4,683,501 ordinary shares  
Interests in options: None  
Interests in rights: None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

**Company secretary**

Gregory Quirk has held the role of Company Secretary since April 2010. See 'Information on directors' above for further information.

**Meetings of directors**

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2014, and the number of meetings attended by each director were:

	Full Board		Audit Committee	
	Attended	Held	Attended	Held
Kevin Barry	16	16	-	-
Gregory Quirk	16	16	2	2
Victor Shkolnik	16	16	2	2
James Canning-Ure	16	16	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

The function of the Nomination and Remuneration Committee was under taken by the full Board.

**Remuneration report (audited)**

The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key Management Personnel ('KMP') are defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

***Principles used to determine the nature and amount of remuneration***

The objective of the consolidated entity's and company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with the market best practice for delivery of reward. The Board of directors ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- alignment and linkage of corporate performance to executive remuneration
- transparency

The full Board has assumed responsibility with respect to nomination and remuneration and includes determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity and company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board maintains a structured executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity and company. External remuneration consultants may be used to advise the relevant committee. Refer to 'Use of remuneration consultants' in this report.

In aligning the interests of key management personnel to those of shareholders', the following elements are considered with respect to the structure of any compensation structure:

- economic profit is a core component of any plan or structure design
- the focus is on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- it must attract and retain high calibre executives

To be an effective compensation structure in providing incentive to participants, the Board considers that it must:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive directors and executive remuneration is separate.

***Non-executive directors remuneration***

Fees and payments to non-executive directors reflects the demands which are made on, and the responsibilities of, such directors. Non-executive directors' fees and payments are reviewed periodically by the Board. The Board may seek the advice of independent remuneration consultants, to ensure non-executive directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration.

ASX listing rules requires that the aggregate non-executive directors remuneration shall be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 19 October 2011, where the shareholders re-confirmed an aggregate remuneration of \$250,000.

Subject to shareholder approval in the future some fees may be paid in shares rather than cash.

***Executive remuneration***

The consolidated entity and company aims to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments (employee options and performance rights)
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and employees performance rights, are reviewed annually by the Board, based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

The short-term incentives ('STI') program is designed to reward executives for effort with respect to their contribution to the achievement of the underlying targets by their respective business units. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') includes long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders value relative to the entire market and the increase compared to the consolidated entity's direct competitors.

*Consolidated entity performance and link to remuneration*

Short term executive remuneration is currently not directly linked to the performance of the consolidated entity. Bonuses and incentives are at the discretion of the Board.

Performance rights are used to reward key executives and directors based on hurdles/conditions being met that include consolidated entity performance.

*Use of remuneration consultants*

During the financial year ended 30 June 2014, the company and consolidated entity did not engage the use of remuneration consultants.

*Voting and comments made at the company's 2013 Annual General Meeting ('AGM')*

At the company's last Annual General Meeting ("AGM") held on 14 November 2013, more than 25% (30%) of the votes cast were against the resolution for adoption of the remuneration report for the year ended 30 June 2013. As a consequence, should more than 25% of the votes be cast against the resolution to adopt the remuneration report at the 2014 AGM then, a "spill motion" will be put to the meeting.

At the 2013 AGM, the company received feedback at that meeting in relation to its remuneration practices and the key concern of members related to the administrative expenses associated with the company's Sydney office. In response to this feedback:

- the company has not replaced a Director who resigned in 2011;
- the Directors have continued to accept only half their entitlement to directors' fees;
- further cost reductions and profit enhancing initiatives have been undertaken by the company; and
- the company has been run with financial discipline to enable the dividend to be maintained and the ability to proceed with an on market share buy-back.

***Details of remuneration***

*Amounts of remuneration*

Details of the remuneration of the directors and other KMP of ICSGlobal Limited are set out in the following tables.

The KMP of the consolidated entity consisted of the directors of ICSGlobal Limited and the following person:

- Garry Chapman - General Manager, Thelma-EU Limited.

ICSGlobal Limited  
 Directors' report  
 30 June 2014

2014	Short-term benefits			Post-employment benefits	Share-based payments		Total
	Cash salary and fees	Bonus	Non-monetary	Retirement benefit	Options	Shares rights	
	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Kevin Barry (Chairman)	48,000	-	-	-	-	10,076	58,076
Gregory Quirk(1)	48,000	-	-	-	-	9,206	57,206
Victor Shkolnik	24,000	-	-	-	-	9,206	33,206
James Canning-Ure	24,000	-	-	-	-	9,206	33,206
<i>Other Key Management Personnel:</i>							
Garry Chapman	170,555	89,302	-	-	-	9,916	269,773
	<u>314,555</u>	<u>89,302</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,610</u>	<u>451,467</u>

(1) Gregory Quirk's remuneration includes \$24,000 paid to a professional service company for company secretarial services. This amount is also disclosed in note 24 related party transactions.

2013	Short-term benefits			Post-employment benefits	Share-based payments		Total
	Cash salary and fees	Bonus	Non-monetary	Retirement benefit	Options	Shares rights	
	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Kevin Barry (Chairman)	48,000	-	-	-	4,421	-	52,421
Gregory Quirk(1)	54,000	-	-	-	3,841	-	57,841
Victor Shkolnik	24,000	-	-	-	3,841	-	27,841
James Canning-Ure	24,000	-	-	-	3,841	-	27,841
<i>Other Key Management Personnel:</i>							
Garry Chapman	158,333	66,667	-	-	8,457	-	233,457
	<u>308,333</u>	<u>66,667</u>	<u>-</u>	<u>-</u>	<u>24,401</u>	<u>-</u>	<u>399,401</u>

(1) Gregory Quirk's remuneration includes \$31,251 paid to a professional service company for company secretarial services. This amount is also disclosed in note 24 related party transactions.



**ICSGlobal Limited**  
**Directors' report**  
**30 June 2014**

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2014	2013	2014	2013	2014	2013
<i>Non-Executive Directors:</i>						
Kevin Barry	83%	92%	-%	-%	17%	8%
Gregory Quirk	84%	93%	-%	-%	16%	7%
Victor Shkolnik	72%	86%	-%	-%	28%	14%
James Canning-Ure	72%	86%	-%	-%	28%	14%
<i>Other Key Management Personnel:</i>						
Garry Chapman	63%	68%	33%	28%	4%	4%

**Service agreements**

Service conditions are formalised in contracts.

- Kevin Barry's contract has no fixed term and is not subject to a notice period.
- Gregory Quirk's contract has no fixed term and is not subject to a notice period.
- Victor Shkolnik's contract has no fixed term and is not subject to a notice period.
- James Canning-Ure's contract has no fixed term and is not subject to a notice period.

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Garry Chapman
Title:	General Manager
Details:	Garry Chapman's term of employment is ongoing until terminated by either party. The contract may be terminated at any time by Garry giving the company six months' notice or by the company giving him six months' notice or payment of cash in lieu of notice. The contract provides for five weeks of annual leave per year. Salary reviews are carried out annually or sooner if circumstances dictate. In addition to his base salary of £95,000, Garry is entitled to be paid bonuses upon achieving the following performance milestones for a 12 month period: i) average monthly revenue £100,000: £35,000 bonus per annum, ii) average monthly revenue £125,000: £45,000 bonus per annum. The following additional bonus amounts are payable upon achieving the following performance milestones, conditional on the profit margin exceeding 25% of gross income: i) average monthly revenue £144,000: £10,000 bonus per annum, ii) average monthly revenue £165,000: £21,000 bonus per annum, iii) average monthly revenue £190,000: £32,000 bonus per annum, iv) average monthly revenue £220,000: £43,000 bonus per annum.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

**Share-based compensation**

*Issue of shares*

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2014.

*Options*

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2014.

There were no options over ordinary shares granted to or vested in directors and other key management personnel as part of compensation during the year ended 30 June 2014.

**ICSGlobal Limited**  
**Directors' report**  
**30 June 2014**

*Performance rights*

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Share price target for vesting	Fair value per right at grant date
26/04/2012	Vesting 02/01/2014 **	26/04/2015	\$0.060	\$0.001
26/04/2012	Vesting 02/01/2014 **	26/04/2015	\$0.090	\$0.001
14/11/2013	Vesting 02/01/2014 **	14/11/2016	\$0.060	\$0.060

\* The performance rights will lapse on the earliest of: i) expiry date of performance rights (three years from the issue date), ii) Board determining the performance rights should lapse, iii) a grantee becoming bankrupt, iv) 30 days after a grantee ceases services if no 'good leaver' determination has been made.

A performance right is a right to receive one fully paid share at, no cost, subject to a certain performance hurdles/conditions being met. Performance rights are not entitled to receive dividends or any distributions. The Board determines who may participate in the performance rights plan and participation is voluntary.

The number of performance rights over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2014 are set out below:

Name	Number of rights granted during the year 2014	Number of rights granted during the year 2013	Number of rights vested during the year 2014	Number of rights vested during the year 2013
Kevin Barry	1,000,000	-	3,000,000	2,000,000
Gregory Quirk	1,000,000	-	2,000,000	2,000,000
Victor Shkolnik	1,000,000	-	2,000,000	2,000,000
James Canning-Ure	1,000,000	-	2,000,000	2,000,000
Garry Chapman	1,000,000	-	2,000,000	-

A participant who leaves the consolidated entity with unvested performance rights and is considered a 'good leaver' may have some or all of their rights vested at the discretion of the Board. A 'good leaver' is a participant who leaves the consolidated entity as a result of:

- death or disablement
- retirement
- redundancy
- other terms reasonably determined by the Board.

***Additional disclosures relating to key management personnel***

In accordance with Class Order 14/632, issued by the Australian Securities and Investments Commission, relating to 'Key management personnel equity instrument disclosures', the following disclosures relate only to equity instruments in the Company or its subsidiaries.

**ICSGlobal Limited**  
**Directors' report**  
**30 June 2014**

*Shareholding*

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Kevin Barry	7,578,714	-	3,000,000	-	10,578,714
Gregory Quirk	4,039,007	-	2,000,000	-	6,039,007
Victor Shkolnik	4,210,231	-	2,000,000	-	6,210,231
James Canning-Ure	2,769,231	-	2,000,000	(85,730)	4,683,501
Garry Chapman	-	-	2,000,000	-	2,000,000
	<u>18,597,183</u>	<u>-</u>	<u>11,000,000</u>	<u>(85,730)</u>	<u>29,511,453</u>

*Performance rights holding*

The number of performance rights over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
<i>Performance rights over ordinary shares</i>					
Kevin Barry	2,000,000	1,000,000	-	(3,000,000)	-
Gregory Quirk	1,000,000	1,000,000	-	(2,000,000)	-
Victor Shkolnik	1,000,000	1,000,000	-	(2,000,000)	-
James Canning-Ure	1,000,000	1,000,000	-	(2,000,000)	-
Garry Chapman	2,500,000	1,000,000	-	(2,000,000)	1,500,000
	<u>7,500,000</u>	<u>5,000,000</u>	<u>-</u>	<u>(11,000,000)</u>	<u>1,500,000</u>

***This concludes the remuneration report, which has been audited.***

**Loans to directors and executives**

There were no loans to directors or key management personnel during the financial year.

**Shares under option**

There were no unissued ordinary shares of ICSGlobal Limited under option outstanding at the date of this report.

**Shares under performance rights**

Unissued ordinary shares of ICSGlobal Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under rights
26/04/2012	26/04/2015	\$0.060	750,000
26/04/2012	26/04/2015	\$0.090	750,000
			<u>1,500,000</u>

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the company or of any other body corporate.

**Shares issued on the exercise of options**

There were no ordinary shares of ICSGlobal Limited issued on the exercise of options during the year ended 30 June 2014 and up to the date of this report.

**Shares issued on the exercise of performance rights**

The following ordinary shares of ICSGlobal Limited were issued during the year ended 30 June 2014 and up to the date of this report on the exercise of performance rights granted:

Date performance rights granted	Exercise price	Number of shares issued
18 November 2013	\$0.040	6,000,000
4 March 2014	\$0.060	5,000,000
		<u>11,000,000</u>

**Indemnity and insurance of officers**

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

**Indemnity and insurance of auditor**

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

**Proceedings on behalf of the company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

**Non-audit services**

There were no non-audit services provided during the financial year by the auditor.

**Officers of the company who are former audit partners of Hall Chadwick**

There are no officers of the company who are former audit partners of Hall Chadwick.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

**Auditor**

Hall Chadwick continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



---

Kevin Barry  
Chairman

26 August 2014  
Sydney

**ICS GLOBAL LIMITED**


**ABN 72 073 695 584**

**AND ITS CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF ICS GLOBAL LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

  
Hall Chadwick  
Level 40, 2 Park Street  
Sydney NSW 2000



**DREW TOWNSEND**  
Partner  
Date: 26 August 2014

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This statement outlines the main corporate governance practices that ICSGlobal Limited (the 'company' or 'ICS Global') has in place, which comply with the ASX Corporate Governance Principles and Recommendations with 2010 Amendments (2<sup>nd</sup> Edition) unless otherwise stated.

### **Commitment to Good Corporate Governance**

Corporate governance is a matter of high importance in the company and is undertaken with due regard to all of the company's stakeholders and its role in the community. ICSGlobal has adopted the ASX Corporate Governance Principles and Recommendations.

The key corporate governance practices are summarised below in this corporate governance statement. A full copy of ICSGlobal's Corporate Governance Policies and Procedures is available on its web site at [www.icsglobal.net](http://www.icsglobal.net).

### **Board of directors**

The directors have responsibility for the overall corporate governance of ICSGlobal and for protecting the rights and interests of the shareholders. The Board is comprised of independent non-executive directors.

The details of the directors required by recommendation ASX Corporate Governance Principle 2.6 are set out in the Directors' report.

Primary responsibilities of the Board include:

- the establishment of long term goals and strategic plans to achieve those goals;
- the review and adoption of annual budgets for the financial performance of the company and monitoring of the results;
- the approval of the annual and half yearly report; and
- ensuring ICSGlobal has implemented adequate systems of internal controls together with appropriate monitoring of compliance activities.

The Board meets at least on a monthly basis. All available information in connection with items to be discussed at a meeting of the Board is provided to each director before the meeting. When required, directors can seek independent professional advice if necessary, at the company's expense.

During the year the Board met in its capacity as the Nomination and Remuneration Committee and reviewed the performance of the Board, its committees and the individual directors.

### **Risk management**

The Board is committed to the identification and quantification of risk. Directors receive regular reports on areas where significant business risk or exposure concentrations may exist and on the management of those risks. The Board committee structure forms an important part of the risk management process.

### **Audit committee**

At the date of this report, ICSGlobal had an Audit Committee consisting of the following independent non-executive directors:

- Victor Shkolnik (Chairman of the Audit Committee)
- Gregory Quirk

The Audit Committee provides a forum for the effective communication between the Board and external auditors.

The Audit Committee reviews:

- the annual and half yearly financial reports prior to their approval by the Board
- the effectiveness of management information systems and systems of internal control
- the appointment of external auditors
- the efficiency and effectiveness of the external audit function

Both members attended the two Audit Committee meetings held during the year.

The Board has received a declaration in accordance with section 295A of the Corporations Act.

***Nomination and remuneration committee***

Due to the current size of the company, the full Board of ICSGlobal undertake the activities of the Nomination and Remuneration Committee. Kevin Barry is the Chairman and the majority of the Board are independent non-executive directors.

Responsibilities of the Nomination and Remuneration Committee include:

- assessment of the size, competencies and performance of the Board and the individual directors.
- determination of the appropriate remuneration levels for each director
- review the performance of ICSGlobal's management.

The Nomination and Remuneration Committee reviews and provides recommendations to the Board, with respect to the scale and structure of the remuneration for all employees, including decisions about the ICSGlobal Employee Option Plan and Performance Rights Plan.

Remuneration policies are discussed in more detail in the Remuneration report in the Directors' report.

The Nomination and Remuneration Committee matters were dealt with as part of ordinary business during the Board meetings held during the year.

***Continuous disclosure***

The company secretary is the nominated ASX Communication Officer and is responsible for:

- monitoring the company's compliance with its continuous disclosure requirements
- overseeing and coordinating disclosure of information to the stock exchange, analysts, brokers, shareholders, the media and the public
- ensuring that all ASX releases are posted on the company's website

The company's compliance with its continuous disclosure obligations is reviewed at each meeting of the Board of directors.

***Trading policy***

The company's policy regarding directors and employees trading in its securities is set by the Board of directors.

The policy restricts directors and employees from acting on material information until it has been released to the market.

The Securities Trading Policy has been issued to ASX and can be found on the company's website.

***External auditor***

The external auditor is required to attend all general meetings of the company. The Chairman allows a reasonable opportunity for shareholders to ask the auditor questions relevant to the conduct of the audit and the preparation and content of the audit report.

Hall Chadwick were appointed as the auditor for the company in 2012. Drew Townsend, a partner at Hall Chadwick, has been the partner responsible for ICSGlobal for the 2014 financial year.

***Accounting policies and practices***

The company has continued its practice of consistently applying prudent and conservative accounting policies and practices in accordance with the applicable accounting standards and legislation.

**ASX Corporate Governance Council: Corporate Governance Principles and Recommendations**

ICSGlobal has adopted the revised second edition of the Corporate Governance Principles and Recommendations.

Principle 1 – Lay solid foundations for management and oversight

ICSGlobal complies with this recommendation.

Principle 2 – Structure the Board to add value

ICSGlobal complies with this recommendation. The majority the Board's directors, including the Chairman, are non-executive independents. The Board has undertaken a review of the mix of skills and experience on the Board in light of the company's principal activities and direction, and has considered diversity in succession planning. The Board considers the current mix of skills and experience of members of the Board and its senior management is sufficient to meet the requirements of the company.

Principle 3 – Promote ethical and responsible decision making

ICSGlobal complies with this recommendation other than having a Diversity Policy. The Board acknowledges the benefits of diversity, and promotes a culture of diversity. This is taken into account in the selection process of candidates for Board and senior management positions in the company, education programs to develop skills and experience in preparation for Board and senior management positions, processes to include review and appointment of directors, and identify key measurable diversity performance objectives for the Board, and senior management. 65% of ICSGlobal's employees are female. However, due to the current size of operations, there is only one senior management position occupied by Garry Chapman and therefore at this time, there are no females in senior management positions or the Board. Given the company's current size, the Board is of the view is that it would not be appropriate to set formal measurable objectives.

Principle 4 – Safeguard the integrity in financial reporting

ICSGlobal complies with this recommendation, except for the requirement to have at least 3 non-executive director members of the Audit and Risk Committee. ICSGlobal's Audit and Risk Committee is comprised of two independent non-executive directors. The members of the Audit and Risk Committee are appointed by the Board and recommendations from the committee are presented to the Board for further discussion and resolution. The Audit and Risk Committee held two meetings during the period to the date of the Directors' report with the company's external auditors and meets at least twice per annum.

Principle 5 – Make timely and balanced disclosure

ICSGlobal complies with this recommendation, and has a continuous disclosure policy.

Principle 6 – Respect the rights of shareholders

ICSGlobal complies with this recommendation. The company communicates with its shareholders and encourages participation at general meetings.

Principle 7 – Recognise and manage risk

ICSGlobal complies with this recommendation. The Board has overall responsibility for Risk Management. It has identified key risks within the business and taken steps to monitor and manage these risks.

Principle 8 – Remunerate fairly and responsibly

ICSGlobal complies with this recommendation. The Board is also the Nomination and Remuneration Committee and consists entirely of independent directors. No senior executive is involved directly in deciding their own remuneration.



**Certification**

The company secretary has given a written declaration to the Board required by section 295A of the Corporations Act 2001 that in his view:

- the company's financial report is founded on a sound system of risk management and internal compliance and control which implements the financial policies adopted by the Board;
- the company's risk management and internal compliance and control system is operating effectively in all material respects;
- the company's financial statements and notes thereto comply with the accounting standards; and
- the company's financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the financial year ended on that date.

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**ICSGlobal Limited**  
**Contents**  
**30 June 2014**

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**General information**

The financial statements cover ICSGlobal Limited as a consolidated entity consisting of ICSGlobal Limited and its subsidiaries. The financial statements are presented in Australian dollars, which is ICSGlobal Limited's functional and presentation currency.

ICSGlobal Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 3.03  
20 Bond Street  
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 August 2014. The directors have the power to amend and reissue the financial statements.

ICSGlobal Limited  
Statement of profit or loss and other comprehensive income  
For the year ended 30 June 2014

	Note	Consolidated	
		2014	2013
		\$	\$
<b>Revenue from continuing operations</b>	4	2,962,331	2,222,727
Other income	5	72,325	57,284
<b>Expenses</b>			
Employee benefits expenses		(1,479,335)	(1,049,075)
External contractor expenses		(117,224)	(114,621)
Directors fees		(120,000)	(120,000)
Occupancy expenses		(205,364)	(169,777)
Depreciation and amortisation expenses	6	(122,307)	(93,411)
Marketing expenses		(71,846)	(64,829)
Legal fees		(8,561)	(8,792)
Communication and travel		(6,566)	(6,197)
Postage and stationery		(89,095)	(78,319)
Computer expenses		(36,732)	(12,716)
Other expenses		(223,051)	(249,923)
<b>Profit before income tax benefit from continuing operations</b>		554,575	312,351
Income tax benefit	7	60,778	71,587
Profit after income tax benefit from continuing operations		615,353	383,938
Profit after income tax (expense)/benefit from discontinued operations	8	9,309	148,465
<b>Profit after income tax benefit for the year attributable to the owners of ICSGlobal Limited</b>	18	624,662	532,403
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		45,171	49,848
Other comprehensive income for the year, net of tax		45,171	49,848
<b>Total comprehensive income for the year attributable to the owners of ICSGlobal Limited</b>		<u>669,833</u>	<u>582,251</u>
Total comprehensive income for the year is attributable to:			
Continuing operations		660,524	433,786
Discontinuing operations		9,309	148,465
		<u>669,833</u>	<u>582,251</u>

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

ICSGlobal Limited  
 Statement of profit or loss and other comprehensive income  
 For the year ended 30 June 2014

	Note	Consolidated	
		2014	2013
		\$	\$
		Cents	Cents
<b>Earnings per share for profit from continuing operations attributable to the owners of ICSGlobal Limited</b>			
Basic earnings per share	30	0.300	0.197
Diluted earnings per share	30	0.293	0.189
<b>Earnings per share for profit from discontinued operations attributable to the owners of ICSGlobal Limited</b>			
Basic earnings per share	30	0.005	0.076
Diluted earnings per share	30	0.004	0.073
<b>Earnings per share for profit attributable to the owners of ICSGlobal Limited</b>			
Basic earnings per share	30	0.304	0.273
Diluted earnings per share	30	0.297	0.262

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

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ICSGlobal Limited  
Statement of financial position  
As at 30 June 2014

	Note	Consolidated	
		2014	2013
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	2,018,828	1,580,766
Trade and other receivables	10	529,791	445,512
Total current assets		<u>2,548,619</u>	<u>2,026,278</u>
<b>Non-current assets</b>			
Property, plant and equipment	11	191,996	34,495
Intangibles	12	2,396,679	2,400,548
Deferred tax	13	369,177	300,059
Total non-current assets		<u>2,957,852</u>	<u>2,735,102</u>
<b>Total assets</b>		<u>5,506,471</u>	<u>4,761,380</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	1,112,485	657,239
Provisions	15	11,791	11,103
Total current liabilities		<u>1,124,276</u>	<u>668,342</u>
<b>Total liabilities</b>		<u>1,124,276</u>	<u>668,342</u>
<b>Net assets</b>		<u>4,382,195</u>	<u>4,093,038</u>
<b>Equity</b>			
Issued capital	16	34,801,328	34,818,513
Reserves	17	778,863	686,081
Accumulated losses	18	(31,197,996)	(31,411,556)
<b>Total equity</b>		<u>4,382,195</u>	<u>4,093,038</u>

The above statement of financial position should be read in conjunction with the accompanying notes

ICSGlobal Limited  
Statement of changes in equity  
For the year ended 30 June 2014

<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Reserves</b> \$	<b>Accumulated losses</b> \$	<b>Total equity</b> \$
Balance at 1 July 2012	34,779,385	650,961	(31,751,335)	3,679,011
Profit after income tax benefit for the year	-	-	532,403	532,403
Other comprehensive income for the year, net of tax	-	49,848	-	49,848
Total comprehensive income for the year	-	49,848	532,403	582,251
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 16)	39,128	-	-	39,128
Share-based payments (note 31)	-	(14,728)	-	(14,728)
Dividends paid (note 19)	-	-	(192,624)	(192,624)
Balance at 30 June 2013	<u>34,818,513</u>	<u>686,081</u>	<u>(31,411,556)</u>	<u>4,093,038</u>

<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Reserves</b> \$	<b>Accumulated losses</b> \$	<b>Total equity</b> \$
Balance at 1 July 2013	34,818,513	686,081	(31,411,556)	4,093,038
Profit after income tax benefit for the year	-	-	624,662	624,662
Other comprehensive income for the year, net of tax	-	45,171	-	45,171
Total comprehensive income for the year	-	45,171	624,662	669,833
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 31)	-	47,611	-	47,611
Share buy back	(17,185)	-	-	(17,185)
Dividends paid (note 19)	-	-	(411,102)	(411,102)
Balance at 30 June 2014	<u>34,801,328</u>	<u>778,863</u>	<u>(31,197,996)</u>	<u>4,382,195</u>

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

ICSGlobal Limited  
Statement of cash flows  
For the year ended 30 June 2014

	Note	Consolidated	
		2014 \$	2013 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		3,585,063	2,843,623
Payments to suppliers and employees (inclusive of GST)		(2,565,464)	(2,398,426)
		1,019,599	445,197
Interest received		535	1,506
Income taxes paid		(8,340)	-
Net cash from operating activities	29	1,011,794	446,703
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	11	(198,265)	(1,747)
Payments for intangibles	12	(85,298)	(46,155)
Proceeds from discontinued operations		-	133,882
Net cash from/(used in) investing activities		(283,563)	85,980
<b>Cash flows from financing activities</b>			
Payments for share buy-backs		(17,185)	-
Dividends paid		(411,102)	(177,428)
Net cash used in financing activities		(428,287)	(177,428)
Net increase in cash and cash equivalents		299,944	355,255
Cash and cash equivalents at the beginning of the financial year		1,580,766	1,126,686
Effects of exchange rate changes on cash and cash equivalents		138,118	98,825
Cash and cash equivalents at the end of the financial year	9	<u>2,018,828</u>	<u>1,580,766</u>

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

## Note 1. Significant accounting policies

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

### New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

#### *AASB 10 Consolidated Financial Statements*

The consolidated entity has applied AASB 10 from 1 July 2013, which has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights that give it the current ability to direct the activities that significantly affect the investee's returns. The consolidated entity not only has to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes.

#### *AASB 11 Joint Arrangements*

The consolidated entity has applied AASB 11 from 1 July 2013. The standard defines which entities qualify as joint arrangements and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets are accounted for using the equity method. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities, will account for its share of the assets, liabilities, revenues and expenses separately under the appropriate classifications.

#### *AASB 12 Disclosure of Interests in Other Entities*

The consolidated entity has applied AASB 12 from 1 July 2013. The standard contains the entire disclosure requirement associated with other entities, being subsidiaries, associates, joint arrangements (joint operations and joint ventures) and unconsolidated structured entities. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation - Special Purpose Entities'.

#### *AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13*

The consolidated entity has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

#### *AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)*

The consolidated entity has applied AASB 119 and its consequential amendments from 1 July 2013. The standard eliminates the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The standard also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.



**Note 1. Significant accounting policies (continued)**

*AASB 127 Separate Financial Statements (Revised), AASB 128 Investments in Associates and Joint Ventures (Reissued) and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*

The consolidated entity has applied AASB 127, AASB 128 and AASB 2011-7 from 1 July 2013. AASB 127 and AASB 128 have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12 and AASB 2011-7 makes numerous consequential changes to a range of Australian Accounting Standards and Interpretations. AASB 128 has also been amended to include the application of the equity method to investments in joint ventures.

*AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities*

The consolidated entity has applied AASB 2012-2 from 1 July 2013. The amendments enhance AASB 7 'Financial Instruments: Disclosures' and requires disclosure of information about rights of set-off and related arrangements, such as collateral agreements. The amendments apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement.

*AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle*

The consolidated entity has applied AASB 2012-5 from 1 July 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities.

*AASB 2012-10 Amendments to Australian Accounting Standards - Transition Guidance and Other Amendments*

The consolidated entity has applied AASB 2012-10 amendments from 1 July 2013, which amends AASB 10 and related standards for the transition guidance relevant to the initial application of those standards. The amendments clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments.

*AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement*

The consolidated entity has applied 2011-4 from 1 July 2013, which amends AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). Corporations and Related Legislation Amendment Regulations 2013 and Corporations and Australian Securities and Investments Commission Amendment Regulation 2013 (No.1) now specify the KMP disclosure requirements to be included within the directors' report.

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

*Historical cost convention*

The financial statements have been prepared under the historical cost convention.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

**Note 1. Significant accounting policies (continued)**

**Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 26.

**Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of ICSGlobal Limited ('company' or 'parent entity') as at 30 June 2014 and the results of all subsidiaries for the year then ended. ICSGlobal Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

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

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

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

**Operating segments**

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

**Foreign currency translation**

The financial statements are presented in Australian dollars, which is ICSGlobal Limited's functional and presentation currency.

*Foreign currency transactions*

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

*Foreign operations*

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

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

**Revenue recognition**

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

**Note 1. Significant accounting policies (continued)**

*Medical billing service ('MBC') revenue*

Revenue is charged based on a percentage of the fees collected from patients, health insurance funds and other payers on behalf of doctors. Revenue is recognised by the consolidated entity in the month that the doctors' fees are collected and the commission becomes payable.

*Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

*Export market development grant*

Export market development grants are recognised in the year that the grant is received.

*Other revenue*

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

**Income tax**

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

**Discontinued operations**

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

**Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

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

**Note 1. Significant accounting policies (continued)**

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

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

**Cash and cash equivalents**

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

**Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 14 to 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

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

**Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted. The fair values of quoted investments are based on current bid prices. For unlisted investments, the consolidated entity establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

*Loans and receivables*

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

*Impairment of financial assets*

The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

**Note 1. Significant accounting policies (continued)**

**Property, plant and equipment**

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

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

Leasehold improvements	Over the lease term
Office equipment	2-5 years

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

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

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

**Intangible assets**

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

*Goodwill*

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

*Software*

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their useful life of five years.

**Impairment of non-financial assets**

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

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

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Note 1. Significant accounting policies (continued)**

**Provisions**

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

**Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

*Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

*Share-based payments*

Equity-settled share-based compensation benefits are provided to employees.

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

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

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

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

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

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

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

**Note 1. Significant accounting policies (continued)**

**Fair value measurement**

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

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

**Issued capital**

Ordinary shares are classified as equity.

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

**Dividends**

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

**Business combinations**

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

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

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

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

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

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

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

**Note 1. Significant accounting policies (continued)**

**Earnings per share**

*Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of ICSGlobal Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

*Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

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

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

**New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2014. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

*AASB 9 Financial Instruments and its consequential amendments*

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2018 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The consolidated entity will adopt this standard and the amendments from 1 July 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

*AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities*

The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the consolidated entity.



**Note 1. Significant accounting policies (continued)**

*AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets*

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed. The adoption of these amendments from 1 July 2014 may increase the disclosures by the consolidated entity.

*AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting*

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014 and amends AASB 139 'Financial Instruments: Recognition and Measurement' to permit continuation of hedge accounting in circumstances where a derivative (designated as hedging instrument) is novated from one counter party to a central counterparty as a consequence of laws or regulations. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.

*AASB 2013-5 Amendments to Australian Accounting Standards - Investment Entities*

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014 and allow entities that meet the definition of an 'investment entity' to account for their investments at fair value through profit or loss. An investment entity is not required to consolidate investments in entities it controls, or apply AASB 3 'Business Combinations' when it obtains control of another entity, nor is it required to equity account or proportionately consolidate associates and joint ventures if it meets the criteria for exemption in the standard. The adoption of these amendments from 1 July 2014 will have no impact on the consolidated entity.

*AASB 2014-1 Amendments to Australian Accounting Standards*

These amendments are in several parts. Part A makes various amendments to Australian Accounting Standards arising from the issuance of IASB's 'Annual Improvements to IFRSs 2010-2012 Cycle' and 'Annual Improvements to IFRSs 2011-2013 Cycle'. Part B makes amendments to AASB 119 'Employee in relation to the requirements for contributions from employees or third parties that are linked to service which arise from the issuance of IASB's 'Defined Benefit Plans – Employee Contributions (Amendments to IAS 19)'. Part C makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031 'Materiality'. Part D makes consequential amendments arising from the issuance of AASB 14 'Regulatory Deferral Accounts'. Part E makes consequential amendments to numerous other Standards as a consequence of the introduction of hedge accounting requirements into AASB 9 'Financial Instruments' in December 2013. Amendments Part A to D are applicable to annual reporting periods beginning on or after 1 July 2014 or as specified in each Part. Amendments Part E are applicable to annual reporting periods beginning on or after 1 January 2015 or as specified in Part E. The adoption of these amendments will not have a material impact on the consolidated entity.

*Annual Improvements to IFRSs 2010-2012 Cycle*

These amendments affect several Accounting Standards as follows: Amends the definition of 'vesting conditions' and 'market condition' and adds definitions for 'performance condition' and 'service condition' in AASB 2 'Share-based Payment'; Amends AASB 3 'Business Combinations' to clarify that contingent consideration that is classified as an asset or liability shall be measured at fair value at each reporting date; Amends AASB 8 'Operating Segments' to require entities to disclose the judgements made by management in applying the aggregation criteria; Clarifies that AASB 8 only requires a reconciliation of the total reportable segments assets to the entity's assets, if the segment assets are reported regularly; Clarifies that the issuance of AASB 13 'Fair Value Measurement' and the amending of AASB 139 'Financial Instruments: Recognition and Measurement' and AASB 9 'Financial Instruments' did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amount, if the effect of discounting is immaterial; Clarifies that in AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets', when an asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount (i.e. proportional restatement of accumulated amortisation); and Amends AASB 124 'Related Party Disclosures' to clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a 'related party' of the reporting entity. The adoption of these amendments will not have a material impact on the consolidated entity.

**Note 1. Significant accounting policies (continued)**

*Annual Improvements to IFRSs 2011-2013 Cycle*

These amendments affect four Accounting Standards as follows: Clarifies the 'meaning of effective IFRSs' in AASB 1 'Firsttime Adoption of Australian Accounting Standards'; Clarifies that AASB 3 'Business Combination' excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself; Clarifies that the scope of the portfolio exemption in AASB 13 'Fair Value Measurement' includes all contracts accounted for within the scope of AASB 139 'Financial Instruments: Recognition and Measurement' or AASB 9 'Financial Instruments', regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132 'Financial Instruments: Presentation'; and Clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in AASB 3 'Business Combinations' and investment property as defined in AASB 140 'Investment Property' requires the separate application of both standards independently of each other. The adoption of these amendments will not have a material impact on the consolidated entity.

*IFRS 15 Revenue from Contracts with Customers*

This standard is expected to be applicable to annual reporting periods beginning on or after 1 January 2017. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard and the amendments from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

**Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Share-based payment transactions*

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Binomial model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

*Provision for impairment of receivables*

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position.

**Note 2. Critical accounting judgements, estimates and assumptions (continued)**

*Estimation of useful lives of assets*

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Goodwill*

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

*Impairment of non-financial assets other than goodwill*

The consolidated entity assesses impairment of non-financial assets other than goodwill at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

*Income tax*

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

*Recovery of deferred tax assets*

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

**Note 3. Operating segments**

*Identification of reportable operating segments*

The consolidated entity only has one reportable segment being the provision of medical billing services in the UK.

*Major customers*

During the year ended 30 June 2014 there were no major customers (2013: nil).

*Geographical information*

	Sales to external customers		Geographical non-current assets	
	2014 \$	2013 \$	2014 \$	2013 \$
Australia	-	-	2,600	3,900
United Kingdom	2,929,561	2,192,085	2,586,075	2,431,143
	<u>2,929,561</u>	<u>2,192,085</u>	<u>2,588,675</u>	<u>2,435,043</u>

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

**Note 4. Revenue**

	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	\$	\$
<b>From continuing operations</b>		
<i>Sales revenue</i>		
Medical billing service	2,929,561	2,192,085
<i>Other revenue</i>		
Interest	535	1,506
Other revenue	32,235	29,136
	<u>32,770</u>	<u>30,642</u>
Revenue from continuing operations	<u>2,962,331</u>	<u>2,222,727</u>

**Note 5. Other income**

	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	\$	\$
Net foreign exchange gain	<u>72,325</u>	<u>57,284</u>

**Note 6. Expenses**

	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	\$	\$
Profit before income tax from continuing operations includes the following specific expenses:		
<i>Depreciation</i>		
Leasehold improvements	8,924	14,935
Office equipment	31,840	22,408
Total depreciation	<u>40,764</u>	<u>37,343</u>
<i>Amortisation</i>		
Software	81,543	56,068
Total depreciation and amortisation	<u>122,307</u>	<u>93,411</u>
<i>Rental expense on operating leases</i>		
Minimum lease payments	<u>108,883</u>	<u>102,037</u>
<i>Share-based payments expense</i>		
Share-based payments expense	<u>47,611</u>	<u>24,401</u>

**Note 7. Income tax benefit**

	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<i>Income tax benefit</i>		
Current tax	8,340	-
Deferred tax - origination and reversal of temporary differences	(69,118)	(71,955)
Adjustment recognised for prior periods	-	368
	<u>(60,778)</u>	<u>(71,587)</u>
Aggregate income tax benefit		
Deferred tax included in income tax benefit comprises:		
Increase in deferred tax assets (note 13)	<u>(69,118)</u>	<u>(71,955)</u>
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Profit before income tax benefit from continuing operations	554,575	312,351
Profit before income tax (expense)/benefit from discontinued operations	<u>9,309</u>	<u>148,465</u>
	<u>563,884</u>	<u>460,816</u>
Tax at the statutory tax rate of 30%	169,165	138,245
Adjustment recognised for prior periods	-	368
Previously unrecognised tax losses used to reduce current tax expense	(190,812)	(145,565)
Share-based payments	14,283	7,320
Previously unrecognised tax losses available against future income tax	(60,778)	(97,208)
Previously unrecognised deferred tax asset on temporary differences	6,920	29,536
Foreign exchange gain	<u>444</u>	<u>(4,283)</u>
Income tax benefit	<u>(60,778)</u>	<u>(71,587)</u>

**United Kingdom**

The tax losses in the UK have been recognised as a deferred tax asset of AU\$36,371 (2013: AU\$63,015), as the directors believe it is appropriate to regard realisation of the future income tax benefit as probable.

**Australia**

ICSGlobal Limited has currently brought to account Australian tax losses of \$1,048,238 (2013:\$705,968) with a potential future tax benefit of \$314,471 (\$2013: \$211,791) calculated at a tax rate of 30%. There are potential future income tax benefits attributable to further tax losses carried forward amounting to approximately \$6,721,878 (2013: \$6,847,374) for the consolidated entity, calculated at a tax rate of 30%, have not been brought to account because the directors do not believe it is appropriate to regard realisation of the future income tax benefit of that level of tax losses as probable. These benefits will only be obtained if:

- the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the loss to be realised;
- the consolidated entity continues to comply with the conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the loss.

**Note 8. Discontinued operations**

*Description*

In April 2010, the consolidated entity sold its Thelma business and related assets to eHealthWise Pty Limited ('eHealth'), a wholly owned subsidiary of CargoWise Pty Limited and disposed of its 100% interest in Medical Recovery Services, Inc. ('MRS'). The consolidated entity continues to receive further consideration in connection with the Thelma business. Under the terms of the Sale Agreement these payments may cease for future years if eHealth sells the business, the business does not perform or the total of payments under the Agreement reach \$1,250,000.

Thelma Pty Ltd has commenced steps to recover payments owing on the Thelma earn-out trail.

*Financial performance information*

	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	\$	\$
Further consideration on sale of Thelma	49,309	148,465
Adjustments	(40,000)	-
Income tax expense	-	-
	<u>9,309</u>	<u>148,465</u>
Gain on disposal after income tax expense and adjustments	9,309	148,465
Profit after income tax (expense)/benefit from discontinued operations	<u>9,309</u>	<u>148,465</u>

**Note 9. Current assets - cash and cash equivalents**

	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	\$	\$
Cash on trust *	856,230	448,106
Cash at bank	1,162,598	1,132,660
	<u>2,018,828</u>	<u>1,580,766</u>

\* The cash on trust is offset by equal liability in other payables and it is not for general use of the consolidated entity.

**Note 10. Current assets - trade and other receivables**

	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	\$	\$
Trade receivables	461,891	285,409
Less: Provision for impairment of receivables	(74,685)	(34,685)
	<u>387,206</u>	<u>250,724</u>
Other receivables	5,478	145,889
Prepayments	130,636	41,518
VAT and GST receivable	6,471	7,381
	<u>529,791</u>	<u>445,512</u>

*Impairment of receivables*

The consolidated entity has recognised \$40,000 (2013: \$nil) in profit or loss in respect of impairment of receivables for the year ended 30 June 2014.

**Note 10. Current assets - trade and other receivables (continued)**

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

	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	\$	\$
Over 6 months overdue	74,685	34,685

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

	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	\$	\$
Opening balance	34,685	34,685
Additional provisions recognised	40,000	-
Closing balance	74,685	34,685

**Note 11. Non-current assets - property, plant and equipment**

	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	\$	\$
Leasehold improvements - at cost	64,887	59,546
Less: Accumulated depreciation	(64,887)	(50,622)
	-	8,924
Office equipment - at cost	281,041	76,895
Less: Accumulated depreciation	(89,045)	(51,324)
	191,996	25,571
	191,996	34,495

*Reconciliations*

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

<b>Consolidated</b>	Leasehold improvements \$	Office equipment \$	Total \$
Balance at 1 July 2012	19,204	40,866	60,070
Additions	-	1,747	1,747
Exchange differences	4,655	5,366	10,021
Depreciation expense	(14,935)	(22,408)	(37,343)
Balance at 30 June 2013	8,924	25,571	34,495
Additions	-	198,265	198,265
Depreciation expense	(8,924)	(31,840)	(40,764)
Balance at 30 June 2014	-	191,996	191,996

**Note 12. Non-current assets - intangibles**

	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	\$	\$
Goodwill - at cost	2,214,282	2,214,282
Software - at cost	440,563	349,308
Less: Accumulated amortisation	(258,166)	(163,042)
	<u>182,397</u>	<u>186,266</u>
	<u><u>2,396,679</u></u>	<u><u>2,400,548</u></u>

*Reconciliations*

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

<b>Consolidated</b>	Goodwill \$	Software \$	Total \$
Balance at 1 July 2012	2,214,282	192,813	2,407,095
Additions	-	46,155	46,155
Exchange differences	-	3,366	3,366
Amortisation expense	-	(56,068)	(56,068)
	<u>2,214,282</u>	<u>186,266</u>	<u>2,400,548</u>
Balance at 30 June 2013	2,214,282	186,266	2,400,548
Additions	-	85,298	85,298
Exchange differences	-	(7,624)	(7,624)
Amortisation expense	-	(81,543)	(81,543)
	<u>2,214,282</u>	<u>182,397</u>	<u>2,396,679</u>

*Impairment test for goodwill*

Goodwill is allocated to the consolidated entity's cash generating units ('CGU') identified according to business segment and country of operation based on the only CGU at 30 June 2014 which is the UK business Medical Billing and Collections ('MBC').

The recoverable amount of the CGU is determined based on value-in-use calculations in the functional currency of the CGU. Value-in-use is calculated based on the present value of cash flow projections over a five year period plus a terminal value.

*Key assumptions used for value-in-use calculations*

The cash flows are discounted using the weighted average cost of capital calculated for the CGU estimated to be [15]% (2013: 15%). The cash flows are based on forecasts for the CGU. These forecasts use estimated growth rates to project revenue and expenses.

The forecast for MBC reflects management's expectation with respect to revenue growth and the cost to service the expected revenue. These forecasts vary from the actual results as management expects that the investment in the business over the past 18 months will enable it to generate significant additional revenue with a less than proportional increase in operating costs.

Other key assumptions include annual revenue growth of 5% (2013: 5% - 14%) and expense growth of 5% (2013: 5%).

*Impact of possible changes in key assumptions*

Management does not consider that a change in any of the key assumptions would cause the CGU's carrying amount to exceed the recoverable amount.



**Note 13. Non-current assets - deferred tax**

	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	\$	\$
<i>Deferred tax asset comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Tax losses	350,843	274,806
Temporary differences	18,334	25,253
Deferred tax asset	<u>369,177</u>	<u>300,059</u>
<i>Movements:</i>		
Opening balance	300,059	228,104
Credited to profit or loss (note 7)	69,118	71,955
Closing balance	<u>369,177</u>	<u>300,059</u>

**Note 14. Current liabilities - trade and other payables**

	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	\$	\$
Trade payables	74,582	57,223
Dividend payable	-	15,196
VAT payable	97,136	73,616
Other payables	940,767	511,204
	<u>1,112,485</u>	<u>657,239</u>

Refer to note 20 for further information on financial instruments.

**Note 15. Current liabilities - provisions**

	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	\$	\$
Employee benefits	<u>11,791</u>	<u>11,103</u>

**Note 16. Equity - issued capital**

	<b>2014</b>	<b>Consolidated</b>		<b>2013</b>
	Shares	2013	2014	Shares
		Shares	\$	\$
Ordinary shares - fully paid	<u>211,051,161</u>	<u>200,623,995</u>	<u>34,801,328</u>	<u>34,818,513</u>

**Note 16. Equity - issued capital (continued)**

*Movements in ordinary share capital*

Details	Date	Shares	Issue price	\$
Balance	1 July 2012	192,623,995		34,779,385
Shares issued	26 February 2013	8,000,000	\$0.000	39,128
Balance	30 June 2013	200,623,995		34,818,513
Shares buy-back	19 July 2013	(572,834)	\$0.030	(17,185)
Shares issued on exercise of performance rights	28 November 2013	6,000,000	\$0.000	-
Shares issued on exercise of performance rights	3 March 2014	5,000,000	\$0.000	-
Balance	30 June 2014	<u>211,051,161</u>		<u>34,801,328</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

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

*Options and performance rights*

There was nil (2013: nil) unissued ordinary shares of ICSGlobal Limited under option and 1,500,000 (2013: 7,500,000) performance rights as at 30 June 2014.

*Capital risk management*

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

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

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 30 June 2013 Annual Report.

**Note 17. Equity - reserves**

	Consolidated	
	2014	2013
	\$	\$
Foreign currency reserve	(113,236)	(158,407)
Share-based payments reserve	892,099	844,488
	<u>778,863</u>	<u>686,081</u>

*Foreign currency reserve*

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

**Note 17. Equity - reserves (continued)**

*Share-based payments reserve*

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

*Movements in reserves*

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

<b>Consolidated</b>	Foreign currency \$	Share based payment \$	Total \$
Balance at 1 July 2012	(208,255)	859,216	650,961
Foreign currency translation	49,848	-	49,848
Performance right expense	-	(14,728)	(14,728)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2013	(158,407)	844,488	686,081
Foreign currency translation	45,171	-	45,171
Performance right expense	-	47,611	47,611
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2014	<u>(113,236)</u>	<u>892,099</u>	<u>778,863</u>

**Note 18. Equity - accumulated losses**

	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	\$	\$
Accumulated losses at the beginning of the financial year	(31,411,556)	(31,751,335)
Profit after income tax benefit for the year	624,662	532,403
Dividends paid (note 19)	(411,102)	(192,624)
	<hr/>	<hr/>
Accumulated losses at the end of the financial year	<u>(31,197,996)</u>	<u>(31,411,556)</u>

**Note 19. Equity - dividends**

Dividends paid during the financial year were as follows:

	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	\$	\$
Final dividend for the year ended 30 June 2013 of 0.1 cents per ordinary share	200,051	192,624
Interim dividend for the year ended 30 June 2014 of 0.05 cents per ordinary share	105,525	-
Special dividend for the year ended 30 June 2014 of 0.05 cents per ordinary share	105,526	-
	<hr/>	<hr/>
	<u>411,102</u>	<u>192,624</u>

Final dividend for the year ended 30 June 2014 of 0.10 cents per ordinary share to be paid on 14 November 2014, a total distribution of \$211,051. The dividend will not be franked.

**Note 20. Financial instruments**

**Financial risk management objectives**

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior executives and the Board of Directors ('Board').

The consolidated entity's financial instruments consist mainly of deposits with banks and accounts receivable and payable. The main financial instrument is cash held for working capital.

**Market risk**

*Foreign currency risk*

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

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

	Assets		Liabilities	
	2014	2013	2014	2013
Consolidated	\$	\$	\$	\$
Pound Sterling	2,856,143	2,088,129	1,068,433	638,199

The consolidated entity had net assets denominated in foreign currencies of \$1,787,710 as at 30 June 2014 (2013: assets \$1,449,930). Based on this exposure, had the Australian dollar weakened by 10% / strengthened by 10% (2013: weakened by 10% / strengthened by 10%) against these foreign currencies with all other variables held constant, the consolidated entity's profit before tax for the year would have been \$178,771 lower / \$178,771 higher (2013: \$144,993 higher / \$144,993 lower ) and equity would have been \$178,771 higher / \$178,771 lower (2013: \$144,993 lower / \$144,993 higher). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations.

*Price risk*

The consolidated entity is not exposed to any significant price risk.

*Interest rate risk*

The consolidated entity is not exposed to any significant interest rate risk.

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity.

**Note 20. Financial instruments (continued)**

**Liquidity risk**

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

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

**Remaining contractual maturities**

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

<b>Consolidated - 2014</b>	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-%	74,582	-	-	-	74,582
Other payables	-%	940,767	-	-	-	940,767
VAT payable	-%	97,136	-	-	-	97,136
Total non-derivatives		1,112,485	-	-	-	1,112,485

<b>Consolidated - 2013</b>	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-%	116,155	-	-	-	116,155
Other payables	-%	511,205	-	-	-	511,205
VAT payable	-%	73,616	-	-	-	73,616
Dividend payable	-%	15,196	-	-	-	15,196
Total non-derivatives		716,172	-	-	-	716,172

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

**Fair value of financial instruments**

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

**Note 21. Key management personnel disclosures**

*Compensation*

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

	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	\$	\$
Short-term employee benefits	403,857	375,000
Share-based payments	47,610	24,401
	<u>451,467</u>	<u>399,401</u>

**Note 22. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by Hall Chadwick, the auditor of the company:

	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	\$	\$
<i>Audit services - Hall Chadwick</i>		
Audit or review of the financial statements	32,000	32,139
	<u>32,000</u>	<u>32,139</u>

**Note 23. Contingent liabilities**

The consolidated entity had no contingent liabilities at 30 June 2014 and 30 June 2013.

**Note 24. Commitments**

	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	\$	\$
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	87,261	74,600
One to five years	479,940	-
	<u>567,201</u>	<u>74,600</u>

**Note 25. Related party transactions**

*Parent entity*

ICSGlobal Limited is the parent entity.

*Subsidiaries*

Interests in subsidiaries are set out in note 27.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 21 and the remuneration report in the directors' report.

**Note 25. Related party transactions (continued)**

*Transactions with related parties*

The following transactions occurred with related parties:

	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	\$	\$
Payment for other expenses:		
Accounting and company secretarial services (paid to entities associated with Gregory Quirk)	24,000	30,000

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the reporting date, other than fees due to directors and accounting and secretarial services provided by Gregory Quirk in accordance with a Board approved agreement. This amount has been included in the Remuneration report as well as being disclosed in this note.

*Loans to/from related parties*

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

*Terms and conditions*

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

**Note 26. Parent entity information**

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

	<b>Parent</b>	
	<b>2014</b>	<b>2013</b>
	\$	\$
Profit after income tax	518,254	495,793
Total comprehensive income	518,254	495,793

*Statement of financial position*

	<b>Parent</b>	
	<b>2014</b>	<b>2013</b>
	\$	\$
Total current assets	1,191,143	1,159,745
Total assets	4,604,534	4,481,083
Total current liabilities	55,846	69,972
Total liabilities	55,846	69,972
Equity		
Issued capital	34,801,327	34,818,513
Share-based payments reserve	892,099	844,488
Accumulated losses	(31,144,738)	(31,251,890)
Total equity	4,548,688	4,411,111

**Note 26. Parent entity information (continued)**

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2014 and 30 June 2013.

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2014 and 30 June 2013.

*Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

**Note 27. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2014 %	2013 %
Thelma Pty Ltd	Australia	100.00%	100.00%
Thelma-EU Limited	England	100.00%	100.00%

**Note 28. Events after the reporting period**

Thelma Pty Ltd (100% owned ICS subsidiary) has commenced steps to recover payments owing on the Thelma earn-out trail.

No other matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 29. Reconciliation of profit after income tax to net cash from operating activities**

	Consolidated	
	2014 \$	2013 \$
Profit after income tax benefit for the year	624,662	532,403
Adjustments for:		
Depreciation and amortisation	122,307	93,411
Share-based payments	47,611	24,401
Foreign exchange differences	(85,323)	(98,825)
Further consideration on sale of Thelma	(49,309)	(148,465)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(34,970)	(54,563)
Increase in deferred tax assets	(69,118)	(71,587)
Increase in prepayments	-	(4,955)
Increase in trade and other payables	455,246	171,960
Increase in employee benefits	688	2,923
Net cash from operating activities	<u>1,011,794</u>	<u>446,703</u>



Note 30. Earnings per share

	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<i>Earnings per share for profit from continuing operations</i>		
Profit after income tax attributable to the owners of ICSGlobal Limited	<u>615,353</u>	<u>383,938</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	205,257,492	195,363,721
Adjustments for calculation of diluted earnings per share:		
Performance rights	<u>4,856,165</u>	<u>7,835,616</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>210,113,657</u>	<u>203,199,337</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	0.300	0.197
Diluted earnings per share	0.293	0.189
	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<i>Earnings per share for profit from discontinued operations</i>		
Profit after income tax attributable to the owners of ICSGlobal Limited	<u>9,309</u>	<u>148,465</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	205,257,492	195,363,721
Adjustments for calculation of diluted earnings per share:		
Performance rights	<u>4,856,165</u>	<u>7,835,616</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>210,113,657</u>	<u>203,199,337</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	0.005	0.076
Diluted earnings per share	0.004	0.073
	<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<i>Earnings per share for profit</i>		
Profit after income tax attributable to the owners of ICSGlobal Limited	<u>624,662</u>	<u>532,403</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	205,257,492	195,363,721
Adjustments for calculation of diluted earnings per share:		
Performance rights	<u>4,856,165</u>	<u>7,835,616</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>210,113,657</u>	<u>203,199,337</u>

**Note 30. Earnings per share (continued)**

	Cents	Cents
Basic earnings per share	0.304	0.273
Diluted earnings per share	0.297	0.262

**Note 31. Share-based payments**

**Performance rights**

A performance right is a right to receive one fully paid share at no cost subject to a certain performance hurdle/condition being met. Performance rights are not entitled to receive dividends or any distributions. The Board of directors determines who may participate in the performance rights plan and participation is voluntary.

The performance hurdle for the performance rights issued is if the company's share price reaches the set target price within 3 years of rights issue date, then performance rights will vest.

A participant who leaves the consolidated entity with unvested performance rights and is considered a 'good leaver' may have some or all of their rights vested at the discretion of the Board. A 'good leaver' is a participant who ceases employment as a result of:

- death or disablement
- retirement
- redundancy
- other terms reasonably determined by the Board.

The performance rights will lapse on the earliest of:

- expiry date of performance rights (three years from the issue date)
- Board determining the performance rights should lapse
- a grantee becoming bankrupt
- 30 days after a grantee ceases employment if no 'good leaver' determination has been made

Set out below are summaries of performance rights granted under the plan:

2014

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Vested and exercised	Expired/ forfeited/ other	Balance at the end of the year
21/12/2011	21/12/2014	\$0.040	5,000,000	-	(5,000,000)	-	-
26/04/2012	26/04/2015	\$0.040	1,000,000	-	(1,000,000)	-	-
26/04/2012	26/04/2015	\$0.060	750,000	-	-	-	750,000
26/04/2012	26/04/2015	\$0.090	750,000	-	-	-	750,000
14/11/2013	14/11/2016	\$0.060	-	5,000,000	(5,000,000)	-	-
			7,500,000	5,000,000	(11,000,000)	-	1,500,000

For performance rights, the vesting date, share price target for vesting and the fair value per right at grant date were as follows:

- (1) vesting 01/07/13, share target \$0.060, fair value \$0.0012
- (2) vesting 01/07/14, share target \$0.090, fair value \$0.0011

**Note 31. Share-based payments (continued)**

2013

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
22/03/2011	22/03/2014	\$0.026	8,000,000	-	(8,000,000)	-	-
21/12/2011	21/12/2014	\$0.040	5,000,000	-	-	-	5,000,000
26/04/2012	26/04/2015	\$0.040	1,000,000	-	-	-	1,000,000
26/04/2012	26/04/2016	\$0.060	750,000	-	-	-	750,000
26/04/2012	26/04/2016	\$0.090	750,000	-	-	-	750,000
			15,500,000	-	(8,000,000)	-	7,500,000

(1) vesting 21/12/14, share target \$0.040, fair value \$0.0017

(2) vesting 01/07/12, share target \$0.040, fair value \$0.0012

(3) vesting 01/07/13, share target \$0.060, fair value \$0.0012

(4) vesting 01/07/14, share target \$0.090, fair value \$0.0011

The full value of the performance rights granted during the year was \$41,681 (2013: \$nil).

**ICSGlobal Limited**  
**Directors' declaration**  
**30 June 2014**

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



---

Kevin Barry  
Chairman

26 August 2014  
Sydney

**ICS GLOBAL LIMITED  
ABN 72 073 695 584  
AND ITS CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE  
MEMBERS OF ICS GLOBAL LIMITED**

**Report on the Financial Report**

We have audited the accompanying financial report of ICS Global Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

**Directors' Responsibility for the Financial Report**

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements that the financial statements comply with International Financial Reporting Standards (IFRS).

**Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Independence**

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

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**ICS GLOBAL LIMITED  
ABN 72 073 695 584  
AND ITS CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE  
MEMBERS OF ICS GLOBAL LIMITED**

**Auditor's Opinion:**

In our opinion:

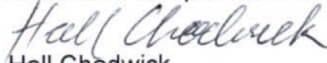
- a. the financial report of ICS Global Limited is in accordance with the Corporations Act 2001, including:
  - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
  - ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

**Report on the Remuneration Report**

We have audited the remuneration report included in page 4 to 10 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

**Auditor's Opinion**

In our opinion the remuneration report of ICS Global Limited for the year ended 30 June 2014 complies with s 300A of the Corporations Act 2001.

  
Hall Chadwick  
Level 40, 2 Park Street  
Sydney NSW 2000

  
**DREW TOWNSEND**  
Partner  
Date: 26 August 2014

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**ICSGlobal Limited**  
**Shareholder information**  
**30 June 2014**

The shareholder information set out below was applicable as at 21 August 2014.

**Distribution of equitable securities**

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of options over ordinary shares
1 to 1,000	20	-
1,001 to 5,000	35	-
5,001 to 10,000	38	-
10,001 to 100,000	262	-
100,001 and over	184	-
	<u>539</u>	<u>-</u>
Holding less than a marketable parcel	<u>69</u>	<u>-</u>

**Equity security holders**

*Twenty largest quoted equity security holders*

The names of the twenty largest security holders of quoted equity securities are listed below:

	Number held	Ordinary shares % of total shares issued
DIXSON TRUST PTY LIMITED	21,311,998	10.10
KING & SVENSON PTY LTD (RG KING SUPER FUND A/C)	12,610,599	5.98
AUSTRALIAN FORESTRY INVESTMENTS PTY LTD (BARRY FAMILY ACCOUNT)	10,578,714	5.01
GLOWGOOD PTY LTD (MURRAY)	10,402,859	4.93
JOSSECK PTY LIMITED (JOSSECK A/C)	9,399,969	4.45
RANDELL MANAGEMENT SERVICES PTY LTD (TIMMS SUPER FUND A/C)	8,853,623	4.20
DR HAMISH ARTHUR JAMIESON & MR ARTHUR WARREN JAMIESON & MR SIMON		
PAUL NICHOLAS (FARSOME REINS A/C)	6,356,855	3.01
ALJEN PTY LTD (SHKOLNIK)	6,210,231	2.94
MR GREGORY JAMES QUIRK & MRS FIONA JANE QUIRK (QUIRK SUPER FUND A/C)	6,039,007	2.86
RYDECAL SUPERANNUATION PTY LTD (RYDECAL PTY LTD SUPER A/C)	5,964,252	2.83
DR DIANA MARY BELL	5,237,382	2.48
MR ROBERT JAMES CANNING-URE	4,683,501	2.22
MR EDWARD HAGGERTY	4,000,000	1.90
CITICORP NOMINEES PTY LIMITED	3,969,218	1.88
BRINDLE HOLDINGS PTY LTD (O'CONNOR S/F A/C)	3,000,000	1.42
MR PHILIP JOHN PRICE & MRS GAIL LORRAINE PRICE (PGP SUPER FUND A/C)	3,000,000	1.42
K B J INVESTMENTS PTY LTD (JARRY FAMILY SUPER FUND A/C)	2,596,065	1.23
MR JOHN NICHOLAS WELSH & MRS LISA ANN WELSH (JOHN & LISA WELSH S/F A/C)	2,550,000	1.21
MR LEWIS ALEXANDER DRAPER & MRS JANET ANNE DRAPER (L A DRAPER SUPER FUND A/C)	2,435,000	1.15
MR JOHN ROBERT LOVE	2,429,013	1.15
	<u>131,628,286</u>	<u>62.37</u>

**ICSGlobal Limited**  
**Shareholder information**  
**30 June 2014**

*Unquoted equity securities*

	<b>Number on issue</b>	<b>Number of holders</b>
Perfromance rights	1,500,000	1

**Substantial holders**

Substantial holders in the company are set out below:

	<b>Ordinary shares</b>	
	<b>Number held</b>	<b>% of total shares issued</b>
DIXSON TRUST PTY LIMITED	21,311,998	10.10
KING & SVENSON PTY LTD (RG KING SUPER FUND A/C)	12,610,599	5.98
AUSTRALIAN FORESTRY INVESTMENTS PTY LTD (BARRY FAMILY ACCOUNT)	10,578,714	5.01

**Voting rights**

The voting rights attached to ordinary shares are set out below:

*Ordinary shares*

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

There are no other classes of equity securities.

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