ICSGLOBAL LIMITED

ASX RELEASE – 22 February 2019

First Half Results: Revenue up 12.3%, Profit up 28.4%, Interim Dividend of 2.5 cents declared

- H1 2019 underlying profit of $416,876 up 28.4 % on H1 2018.
- H1 2019 sales revenue of $2,700,986 was up 12.3 % on H1 2018, in GBP terms, revenue was up 7% to £1,510,215.
- Payment of a final (unfranked) dividend of 4 cents per share for the 2018 year in November 2018.
- The 2019 year interim (unfranked) dividend of 2.5 cents per share has been declared to be paid in April 2019.
- Maintain 2019 full year guidance of net profit after tax in the range of $0.75 to $ 1.0 million.
- MBC highlights include:
  - Revenue up 7% in GBP terms and profit up 8% in GBP terms.
  - Revenue stream continues to grow as we add new clients on a monthly basis.
  - In July 2018 we moved our hosting and IT support function and appointed new service providers. This increased level of investment in infrastructure and IT was necessary to continue to grow the business in a profitable manner.
  - The increased costs in IT have been incurred as we needed to ensure that the IT platform had no single point of failure and the requirement for increased speed in meeting the demands of the business and, going forward and to comply with the EU general data protection rules.
  - The steps taken above during H1 2019 should allow us to grow our revenue without any major cost increases in the second half of the year.
  - In Q3 2018 an MBC branded JV entity was established in the medical indemnity insurance broking market, as part of the strategy to provide quality ancillary services to our client base. This is steadily growing, and we are generating incremental recurring revenue for MBC.

H1 2019 result

The Board is pleased to advise that H1 2019 underlying profit of $416,876, up 28.4%, puts us back on track for revenue and profit growth. As previously advised at the November 2018 AGM, we are continuing to grow our clinic clients and our Major National Hospital Group division has successfully launched and we expect further growth from this sector.

We are pleased to report that the H1 2019 sales revenue for MBC, in GBP, increased 7% to £1,510,215 ($2,700,986 in AUD, up 12.3 % on H1 2018). Profit in GBP terms for MBC increased 8.0%. Staff costs increased due to higher staff levels required to service an increasing number of self-pay clients. The H1 2019 profit includes an FX gain of AUD $0.02M (H1 2018: $0.1M) due to the conversion of the GBP bank account.

The Board expects to see an improved financial performance in H2 2019.

Full financial details for the half-year result can be found in the accompanying Appendix 4D and Interim Report.

Key financial information

ICS Group	6 months to December 2017	6 months to December 2018	Change (%)
	AUD	AUD	
Revenue from Operations	2,405,675	2,700,986	+12.3%
Profit after Tax	324,723	416,876	+28.4%
Profit after Tax UK Business in GBP	£327,073	£352,963	+8%
	Balance 30 June 2018	Balance 31 December 2018	Change
	AUD	AUD	%
Cash and Equivalents (excluding UK Doctors' funds)	2,006,309	1,733,930	-13.5 %

Dividends & Capital Management

The Board has continued to consider and, where appropriate, execute capital management strategies. During H1 2019 and subsequently the Company has:

- Paid another final (unfranked) dividend of 4.0 cents per share ($423,361) for the 2018 year.
- Declared that the 2019 year interim dividend will continue at 2.5 cents per share (unfranked) with the record date of Tuesday the 12th of March 2019. It will be paid on Thursday the 14th of April 2019.
- Lodged a notice with the ASIC of its intention to commence a Share Buy Back Programme, allowing the Company to buy and cancel up to 10% of its issued shares during a 12-month period.

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

Guidance

The Board re-affirms its previous full year guidance of net profit after tax and expects it to be in the range of $0.75 to $1.0million for the 2019 year[1].

Cash balance

Cash and equivalents (excluding cash held in the UK on behalf of Doctors) as at 31 December 2018 was $1,733,930, which was a decrease of 13.5 % on the June 2018 reporting balance of $2,006,309. This cash movement was after the highest dividend payout ICS has recorded for a financial year. The final dividend of $423,361 was paid in November 2018 and the balance of the change is attributable to movements in working capital.

Australian corporate cash costs

The corporate cash costs in Australia are running around $490,000 on an annualised basis. The H1 2019 Australian corporate cash costs were $ 249,012.

[1] Subject to FX rates. The upper range of guidance includes potential new acquisitions/divestments

OpenLearning

The Board is pleased to advise that OpenLearning (www.openlearning.com), the Australian based education Technology Company in which ICS has a $0.293 million investment for a c. 2.0% stake, has made substantial progress on several fronts. As a result, the Board continues to explore options to monetise this non-core investment.

Other Opportunities

The Board is constantly looking at opportunities to expand its core business, in addition to examining various acquisitions/investments in the healthcare space. The Board will update the market on any progress in relation to these opportunities.

We thank you for your on-going support.

For and on behalf of the Board.

Kevin Barry

ICSGlobal Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	ICSGlobal Limited
ABN:	72 073 695 584
Reporting period:	For the half-year ended 31 December 2018
Previous period:	For the half-year ended 31 December 2017

2. Results for announcement to the market

				$
Revenues from ordinary activities	up	12.3%	to	2,700,989
Profit from ordinary activities after tax attributable to the owners of ICSGlobal Limited	up	28.4%	to	416,876
Profit for the half-year attributable to the owners of ICSGlobal Limited	up	28.4%	to	416,876

Dividends

	Amount per security Cents	Franked amount per security Cents
Final dividend for the year ended 30 June 2018 (unfranked) was paid on 9 November 2018	4.000	-

On 22 February 2019, the directors declared an unfranked interim dividend of 2.5 cents per ordinary share for the year ending 30 June 2019 and will be paid on 14 April 2019 to those shareholders on the register at 7pm on 12 March 2019.

Comments
The profit for the consolidated entity after providing for income tax amounted to $416,876 (31 December 2017: $324,723).

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	30.66	27.57

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividend reinvestment plans

Not applicable.

7. Foreign entities

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

Not applicable.

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8. Audit qualification or review

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

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

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9. Attachments

Details of attachments (if any):

The Interim Report of ICSGlobal Limited for the half-year ended 31 December 2018 is attached.

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10. Signed

Signed ______________________________ Date: 22 February 2019

Kevin Barry
Chairman
Sydney

ICSGlobal Limited

ABN 72 073 695 584

Interim Report - 31 December 2018

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 half-year ended 31 December 2018.

Directors
The following persons were directors of ICSGlobal Limited during the whole of the financial half-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 half-year were the operation 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 half-year were as follows:

	Consolidated	
	31/12/2018	31/12/2017
	$	$
Final dividend for the year ended 30 June 2018 of 4 cents per ordinary share paid unfranked (2017: 4.0 cents per ordinary share unfranked)	423,361	423,361

On 22 February 2019, the directors declared an unfranked interim dividend of 2.5 cents per ordinary share for the year ending 30 June 2019 and will be paid on 14 April 2019 to those shareholders on the register at 7pm on 12 March 2019.

Review of operations
The profit for the consolidated entity after providing for income tax amounted to $416,876 (31 December 2017: $324,723).

Further commentary on business operations and developments are contained in the attached letter from the Chairman.

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

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 immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Kevin Barry
Chairman

22 February 2019
Sydney

HALL CHADWICK (NSW)

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
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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 half-year ended 31 December 2018 there have been no contraventions of:

(i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

SKumar

Sandeep Kumar
Partner
Date: 22 February 2019

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General information

The financial statements cover ICSGlobal Limited as a consolidated entity consisting of ICSGlobal Limited and the entities it controlled at the end of, or during, the half-year. 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 22 February 2019. The directors have the power to amend and reissue the financial statements.

	Note	Consolidated 31/12/2018 $	31/12/2017 $
Revenue	3	2,700,986	2,405,675
Interest revenue calculated using the effective interest method		3	12
Expenses			
Employee benefits expenses		(1,278,050)	(1,144,102)
External contractor expenses		(51,793)	(54,908)
Directors fees		(90,000)	(90,000)
Occupancy expenses		(131,027)	(123,985)
Depreciation and amortisation expenses		(141,295)	(110,658)
Marketing expenses		(54,470)	(66,997)
Legal fees		(5,477)	(8,722)
Communication and travel		(20,030)	(15,835)
Postage and stationery		(68,299)	(60,186)
Hosting and support		(58,195)	(112,205)
Computer expenses		(55,295)	(20,765)
Net foreign exchange gain/(loss)		15,982	17,599
Other expenses		(341,982)	(279,209)
Profit before income tax expense		421,058	335,714
Income tax expense		(4,182)	(10,991)
Profit after income tax expense for the half-year attributable to the owners of ICSGlobal Limited		416,876	324,723
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		38,870	21,842
Other comprehensive income for the half-year, net of tax		38,870	21,842
Total comprehensive income for the half-year attributable to the owners of ICSGlobal Limited		455,746	346,565
		Cents	**Cents**
Basic earnings per share	12	3.939	3.068
Diluted earnings per share	12	3.860	3.011

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

ICSGlobal Limited
Statement of financial position
As at 31 December 2018

	Note	Consolidated 31/12/2018 $	Consolidated 30/06/2018 $
Assets			
Current assets			
Cash and cash equivalents	4	2,282,714	2,811,862
Trade and other receivables	5	774,370	678,047
Total current assets		3,057,084	3,489,909
Non-current assets			
Financial assets at fair value through other comprehensive income		293,900	293,900
Plant and equipment		257,432	72,153
Intangibles	6	2,611,554	2,659,557
Deferred tax		735,729	717,223
Total non-current assets		3,898,615	3,742,833
Total assets		6,955,699	7,232,742
Liabilities			
Current liabilities			
Trade and other payables	7	1,058,898	1,389,432
Income tax		40,450	17,498
Employee benefits		-	15,008
Total current liabilities		1,099,348	1,421,938
Total liabilities		1,099,348	1,421,938
Net assets		5,856,351	5,810,804
Equity			
Issued capital	8	34,759,895	34,759,895
Reserves		806,102	754,070
Accumulated losses		(29,709,646)	(29,703,161)
Total equity		5,856,351	5,810,804

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

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2017	34,759,895	673,995	(29,777,712)	5,656,178
Profit after income tax expense for the half-year	-	-	324,723	324,723
Other comprehensive income for the half-year, net of tax	-	21,842	-	21,842
Total comprehensive income for the half-year	-	21,842	324,723	346,565
Transactions with owners in their capacity as owners:				
Share-based payments	-	11,567	-	11,567
Dividends paid (note 9)	-	-	(423,361)	(423,361)
Balance at 31 December 2017	34,759,895	707,404	(29,876,350)	5,590,949

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2018	34,759,895	754,070	(29,703,161)	5,810,804
Profit after income tax expense for the half-year	-	-	416,876	416,876
Other comprehensive income for the half-year, net of tax	-	38,870	-	38,870
Total comprehensive income for the half-year	-	38,870	416,876	455,746
Transactions with owners in their capacity as owners:				
Share-based payments	-	13,162	-	13,162
Dividends paid (note 9)	-	-	(423,361)	(423,361)
Balance at 31 December 2018	34,759,895	806,102	(29,709,646)	5,856,351

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

ICSGlobal Limited
Statement of cash flows
For the half-year ended 31 December 2018

	Note	Consolidated 31/12/2018 $	Consolidated 31/12/2017 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST and VAT)		3,115,797	2,901,410
Payments to suppliers and employees (inclusive of GST and VAT)		(2,970,941)	(2,158,271)
		144,856	743,139
Interest received		3	12
Net cash from operating activities		144,859	743,151
Cash flows from investing activities			
Payments for property, plant and equipment		(228,406)	(32,242)
Payments for intangibles		(22,240)	(23,606)
Net cash used in investing activities		(250,646)	(55,848)
Cash flows from financing activities			
Dividends paid		(423,361)	(423,361)
Net cash used in financing activities		(423,361)	(423,361)
Net increase/(decrease) in cash and cash equivalents		(529,148)	263,942
Cash and cash equivalents at the beginning of the financial half-year		2,811,862	2,154,326
Cash and cash equivalents at the end of the financial half-year	4	2,282,714	2,418,268

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

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity during the financial half-year ended 31 December 2018 and are not expected to have any significant impact for the full financial year ending 30 June 2019.

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

AASB 9 Financial Instruments

The consolidated entity has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers

The consolidated entity has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are 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. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Note 1. Significant accounting policies (continued)

Impact of adoption
AASB 9 and AASB 15 were adopted using the modified retrospective approach and as such comparatives have not been restated. The impact of adoption on opening retained profits as at 1 July 2018 was nil.

There has been no material impact on adoption of AASB 9 and AASB 15, other than the changes to disclosure as required by the standard.

Revenue recognition

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

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 receivable.

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.

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 allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

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. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Note 1. Significant accounting policies (continued)

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Note 2. 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.

Geographical information

	Sales to external customers		Geographical non-current assets	
	31/12/2018	31/12/2017	31/12/2018	30/06/2018
	$	$	$	$
Australia	-	-	293,900	293,900
United Kingdom	2,555,671	2,338,034	2,868,986	2,731,710
	2,555,671	2,338,034	3,162,886	3,025,610

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 3. Revenue

	Consolidated	
	31/12/2018	31/12/2017
	$	$
Revenue from contracts with customers		
Medical billing service	2,555,671	2,338,034
Other revenue		
Other revenue	145,315	67,641
Revenue	2,700,986	2,405,675

Note 3. Revenue (continued)

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated 31/12/2018 $	Consolidated 31/12/2017 $
Timing of revenue recognition		
Services transferred over time	2,555,671	-

Note 4. Current assets - cash and cash equivalents

	Consolidated 31/12/2018 $	Consolidated 30/06/2018 $
Cash on trust *	548,784	805,553
Cash at bank	1,733,930	2,006,309
	2,282,714	2,811,862

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

Note 5. Current assets - trade and other receivables

	Consolidated 31/12/2018 $	Consolidated 30/06/2018 $
Trade receivables	683,016	589,958
Less: Allowance for expected credit losses	(34,685)	(34,685)
	648,331	555,273
Other receivables	78,201	77,037
Prepayments	41,481	38,686
VAT and GST receivable	6,357	7,051
	774,370	678,047

Note 6. Non-current assets - intangibles

	Consolidated 31/12/2018 $	Consolidated 30/06/2018 $
Goodwill - at cost	2,214,282	2,214,282
Software - at cost	1,367,681	1,306,622
Less: Accumulated amortisation	(970,409)	(861,347)
	397,272	445,275
	2,611,554	2,659,557

Note 6. Non-current assets - intangibles (continued)

Reconciliations

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

Consolidated	Goodwill $	Software $	Total $
Balance at 1 July 2018	2,214,282	445,275	2,659,557
Additions	-	22,240	22,240
Exchange differences	-	24,678	24,678
Amortisation expense	-	(94,921)	(94,921)
Balance at 31 December 2018	2,214,282	397,272	2,611,554

Note 7. Current liabilities - trade and other payables

	Consolidated	
	31/12/2018 $	30/06/2018 $
Trade payables	71,035	111,696
VAT payable	223,922	391,234
Other payables	763,941	886,502
	1,058,898	1,389,432

Note 8. Equity - issued capital

	Consolidated			
	31/12/2018 Shares	30/06/2018 Shares	31/12/2018 $	30/06/2018 $
Ordinary shares - fully paid	10,584,019	10,584,019	34,759,895	34,759,895

Performance rights

There were 80,000 (30 June 2018: 280,000) performance rights as at 31 December 2018 which may convert into ordinary shares if the performance conditions are met. 200,000 performance rights expired without vesting on 18 November 2018.

Note 9. Equity - dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	31/12/2018 $	31/12/2017 $
Final dividend for the year ended 30 June 2018 of 4 cents per ordinary share paid unfranked (2017: 4.0 cents per ordinary share unfranked)	423,361	423,361

On 22 February 2019, the directors declared an unfranked interim dividend of 2.5 cents per ordinary share for the year ending 30 June 2019 and will be paid on 14 April 2019 to those shareholders on the register at 7pm on 12 March 2019.

Note 10. Fair value measurement

Fair value hierarchy
The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 31/12/2018	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Ordinary shares at fair value through other comprehensive income	-	-	293,900	293,900
Total assets	-	-	293,900	293,900

Consolidated - 30/06/2018	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Ordinary shares at fair value through other comprehensive income	-	-	293,900	293,900
Total assets	-	-	293,900	293,900

There were no transfers between levels during the financial half-year.

Valuation techniques for fair value measurements categorised within level 2 and level 3
Unquoted investments have been valued using a discounted cash flow model.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade and other receivables and trade and other 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. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

Note 11. Contingent liabilities

The consolidated entity had no contingent liabilities at 31 December 2018 and 30 June 2018.

Note 12. Earnings per share

	Consolidated	
	31/12/2018	31/12/2017
	$	$
Profit after income tax attributable to the owners of ICSGlobal Limited	416,876	324,723
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	10,584,019	10,584,019
Adjustments for calculation of diluted earnings per share:		
Performance rights	216,521	200,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	10,800,540	10,784,019
	Cents	Cents
Basic earnings per share	3.939	3.068
Diluted earnings per share	3.860	3.011

Note 13. Events after the reporting period

Apart from the dividend declared as disclosed in note 9, no other matter or circumstance has arisen since 31 December 2018 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.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the financial half-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.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Kevin Barry
Chairman

22 February 2019
Sydney

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

SYDNEY
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Australia
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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ICS GLOBAL LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of ICS Global Limited, which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of ICS Global Limited are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of ICS Global Limited's financial position as at 31 December 2018 and its performance for the period ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of ICS Global Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of ICS Global Limited is not in accordance with the Corporations Act 2001 including:

(i) giving a true and fair view of ICS Global Limited's financial position as at 31 December 2018 and of its performance for the half year ended on that date; and

(ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000

SKumar.

Sandeep Kumar
Partner
Date: 22 February 2019