iCar Asia Limited and Controlled Entities

ACN 157 710 846

Annual Report for the financial year ended 31 December 2015

Annual Report Year Ended 31 December 2015

ICAR ASIA LIMITED (ICQ) / ACN 157 710 846

The directors present their report, together with the consolidated financial statements, of iCar Asia Limited and Controlled Entities (referred to hereafter as the 'Group') for the year ended 31 December 2015.

Directors

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

Patrick Grove (Non-executive Chairman)
Lucas Elliott (Non-executive Director)
Shaun Di Gregorio (Non-executive Director)
Mark Britt (Non-executive Director)
Cameron McIntyre (Non-executive Director)
Ajay Bhatia (Non-executive Director)

Information on directors

Name:	Patrick Grove
Title:	Non-independent, non-executive Director and Chairman
Qualifications:	Bachelor of Commerce degree with a major in Accounting and Finance from the University of Sydney.
Experience and expertise:	Board member and Chairman since June 2012. Mr Grove is a co-founder of the Group. Mr Grove's experience and expertise includes mergers and acquisitions and the extraction of investment value in high growth, media and technology environments. Mr Grove has built a number of significant media and internet businesses across Asia and has taken four businesses from start-up to initial public offering. He has been recognised with numerous international awards, including Global Leader of Tomorrow by the World Economic Forum (2001), New Asian Leader by the World Economic Forum (2003), Entrepreneur of the Year by the Australian Chamber of Commerce (2004), Business Week Asia's Top Entrepreneur under 40 (2008), one of Asia's Best young Entrepreneurs by Bloomberg Businessweek (2008), and Top 50 Global Achiever (2013) by Australia Unlimited. Mr Grove holds a Bachelor of Commerce degree with majors in Accounting and Finance from the University of Sydney. Mr Grove is the Chief Executive Officer, Chairman and major shareholder of Catcha Group, one of South East Asia's most dynamic investment groups. Mr Grove is also the Chairman of iProperty Group Limited an ASX-listed company and a Director of Rev Asia Berhad, a Malaysia-listed company.
Other current directorships:	iProperty Group Limited, Ensogo Limited, Rev Asia Berhad
Former directorships (in the last 3 years):	None
Special responsibilities:	None
Interests in shares:	70,926,948
Interests in options:	None

Name:	Lucas Elliott
Title:	Non-independent, non-executive Director
Qualifications:	Bachelor of Commerce degree with a major in Finance from the University of Sydney.
Experience and expertise:	Board member since April 2012. Mr Elliott is a co-founder of the Group. He has over 15 years of Asian online experience, with a focus on developing fast moving online business models and monetising online assets. Mr Elliott is also a co-founder of Catcha Group, where he is responsible for all aspects of Catcha Group's corporate finance activities, including mergers and acquisitions, capital raisings and public listings. Mr Elliott has a Bachelor of Commerce degree with a major in Finance from the University of Sydney. Mr Elliott is a Director of iProperty Group Limited and Ensogo Limited, both ASX listed companies, and Rev Asia Berhad, a Malaysia-listed company.
Other current directorships:	iProperty Group Limited, Ensogo Limited, Rev Asia Berhad
Former directorships (in the last 3 years):	None
Special responsibilities:	Member of the Remuneration & Nomination Committee and member of the Audit & Risk Committee
Interests in shares:	70,926,948
Interests in options:	None

Name:	Shaun Di Gregorio
Title:	Non-independent, non-executive Director
Qualifications:	Master in Business Administration from the Australian Graduate School of Management (University of New South Wales) and is a member of the Australian Institute of Company Directors.
Experience and expertise:	Board member since July 2012. Mr Di Gregorio has worked in online classifieds for nearly 15 years. He is currently the CEO and founder of Frontier Digital Ventures, a company that specialises in investing in and operating online classifieds businesses in frontier markets across the globe. Until May of 2014 he was the Chief Executive Officer of iProperty and prior to joining iProperty, Mr Di Gregorio spent almost 8 years with the ASX-listed REA Group Limited, in which time he was General Manager of Australian operations from 2005 to 2008, and then as General Manager of the REA Group Limited's international businesses. Mr Di Gregorio has also held senior roles at Trader.com and the interactive division of TMP Worldwide.
Other current directorships:	None
Former directorships (in the last 3 years):	None
Special responsibilities:	Chairman of the Remuneration & Nomination Committee and member of the Audit & Risk Committee
Interests in shares:	821,538
Interests in options:	None

Name:	Mark Britt
Title:	Non-independent, non-executive Director
Qualifications:	Diploma in Law from LPAB
Experience and expertise:	Board member since July 2012. Mr Britt is the Chief Executive Officer and co-founder of iflix, an Asian provider of on-demand internet streaming entertainment. Prior to this Mr Britt was the Chief Executive Officer of the Mi9 group of companies which include businesses across Australia and New Zealand such as ninemsn, The Daily Mail Australia, Bing, Outlook.com and MSN NZ. Mr Britt has significant executive and commercial experience in the online, advertising and consumer technology fields in Australia, Europe and the Asia Pacific. Prior to joining Mi9, Mr Britt spent four years with Microsoft, based in Singapore as General Manager for Consumer and Online. Mr Britt was also previously the Director of Corporate Strategy and Chief Financial Officer of ninemsn, and has worked at Pricewaterhouse Coopers, NASDAQ-listed ISP, People PC and Vizzavi in the United Kingdom.
Other current directorships:	None
Former directorships (in the last 3 years):	None
Special responsibilities:	Member of the Remuneration & Nomination Committee and member of the Audit & Risk Committee
Interests in shares:	604,872
Interests in options:	None

Name:	Cameron McIntyre
Title:	Non-independent, non-executive Director
Qualifications:	Bachelor of Economics from La Trobe University, Certified Practising Accountant (CPA), Graduate of Harvard Business School General Management Program
Experience and expertise:	Board member since April 2013. Mr McIntyre has been the Chief Operating Officer and the Chief Financial Officer of carsales.com Limited since 2007 and was previously the Finance Director at Sensis. He has over 22 years of finance and administration experience. Cameron brings a wealth of knowledge and insight into operating leading automotive portals as well as assisting the Group in leveraging its strategic partnership with carsales.com and the talent and resources that come with it.
Other current directorships:	None
Former directorships (in the last 3 years):	None
Special responsibilities:	Member of the Remuneration & Nomination Committee and Chairman of the Audit & Risk Committee
Interests in shares:	None
Interests in options:	None

Name:	Ajay Bhatia
Title:	Non-Independent, non-executive Director
Qualifications:	Bachelor of Engineering (Telecommunications) from University of Technology, Sydney, Masters of Management from University of Technology, Sydney
Experience and expertise:	Board member since November 2014. Mr Bhatia is currently the Chief Product & Information Officer of carsales.com Limited. He started at Carsales in 2008. Prior to Carsales, Mr Bhatia was Product & Technology Director at Fairfax Digital. During his tenure at FD, he held commercial and leadership positions including GM of Country Cars, Product Director of Classifieds (Domain, Drive & MyCareer) and Product Technology Director of Drive. During his tenure at Drive.com.au, Ajay was also responsible for championing display revenue for the automotive brand. In 2015 Ajay was awarded the Australian CIO of the year by the prestigious CEO magazine. Mr Bhatia brings valuable insights to the Group board by leveraging his experience in Technology and in the running of Online classified businesses.
Other current directorships:	None
Former directorships (in the last 3 years):	
Special responsibilities:	
Interests in shares:	None
Interests in options:	None

Company Secretary

Nick Geddes had resigned as the Group's company secretary effective 1 January 2016.

Nick Geddes had been the Company Secretary of the Group since April 2012. Mr Geddes is the principal of Australian Company Secretaries Pty Ltd, a company secretarial practice that he formed in 1993. Mr Geddes is a past President of Chartered Secretaries Australia (now Governance Institute of Australia). His previous experience, as a Chartered Accountant and Company Secretary, includes investment banking and development and venture capital in Europe, Africa, the Middle East and Asia.

Mark Licciardo was appointed as the Group's company secretary effective 1 January 2016.

Mark Licciardo (B Bus (Acc), GradDip CSP, FGIA, GAICD) is the founder and Managing Director of Mertons Corporate Services. He has extensive experience in working with Boards of Directors of high profile ASX-listed companies in the areas of corporate governance, accounting & finance and company secretarial practices during a 30 year corporate career in banking and finance, funds management, investment, infrastructure development and in the establishment and management of a consulting business. A former Company Secretary of Top 50 ASX-listed companies Transurban Group and Australian Foundation Investment Company Limited, Mark is also the former Chairman of the Governance Institute of Australia (GIA) Victoria division and Melbourne Fringe Festival and a current non-executive Director of a number of public and private companies.

Dividends

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

Principal activities

The principal activities of the Group during the financial year were the development and operation of internet based automotive portals and the advertising, publication and distribution of automotive magazines in South East Asia.

Operating and Financial Review

The strategic objective for the 2015 Financial Year was to deliver strong revenue growth across the Group and demonstrate the ability to generate revenue from car dealers across the ASEAN region.

Group revenue grew by 123% to $6,277,576 (2014: $2,814,246), while expenses showed an increase of only 11% to $17,732,887 (2014: $16,005,590).

Strong revenue growth in conjunction with well managed costs resulted in a 25% reduction in NLAT to ($12,537,199) (2014: ($16,699,930)). EBITDA loss was reduced to ($11,455,311).

Ahead of management expectations, two of the three countries achieved local EBITDA break-even positions during the year. Thailand EBITDA was positive for the full July - December period and Malaysia EBITDA was positive for the full October - December period.

The company finished the year with cash and cash equivalents of $18,509,382. With strong revenue growth and cost management, the business is firmly on the path to Group profitability.

Group operating metrics and performance:

The group finished the year with clear leadership over competitors in the critical operating metrics of audience and leads. This has ultimately led to strong growth in the number of car dealers willing to pay to advertise. 2015 saw iCar's market-leading Response Management System ('RMS') being deployed in all countries, with strong monthly engagement and classifieds monetisation in all three countries. Key outcomes on a Group level were:

Audience: The total combined audience for our three core classified sites (carlist.my, one2car.com and mobil123.com) increased to 5,123,300 in January 2016, growth of 13% year on year.

Leads: Lead measurement was refined during the year to be a unique viewer that clicks to reveal a phone number on a listing from a unique dealer, further reducing the lead count. We had a strong performance with January 2016 producing 574,109 leads across carlist.my, one2car.com and mobil123.com.

Paying Dealers: In the final quarter of 2015, 4,877 car dealers across Malaysia, Indonesia and Thailand paid to advertise on either carlist.my, one2car.com or mobil123.com - up from 3,199 in December 2014.

Malaysia operating metrics and performance:

Carlist.my grew its leadership margin through-out 2015, which ultimately resulted in strong revenue growth and achievement of an EBITDA positive position during the fourth quarter. Key achievements were:

Audience: 1,548,483 people visited carlist.my in January 2016 - up 3% from January 2015. The focus through the year was growing quality traffic - people who are actively in the search process for a new or used car.

Leads: As measured by the refined methodology, 154,750 leads were sent to sellers during the month of January 2016.

Paying dealers: 1,865 dealers paid to advertise on carlist.my during the month of January 2016. 358 of these have transitioned to the 'pay per lead' model which provides car dealers the opportunity to pay only for the leads they receive. The detail of these leads is captured through the RMS.

Average revenue per account: Generating more revenue from each paying account is a key driver as the Group looks to grow revenue profitably. In December 2015, the average revenue per account for carlist.my was RM441 (A$147) per month, up 72% in the 12 month period from December 2014 at RM256 (A$85). Delivery of more 'depth' products in the first half of 2016 is designed to continue growth in this important metric.

During 2015 carlist.my launched mobile applications for both iOS & Android which quickly became the number 1 automotive app in both stores for Malaysia. The apps have now been downloaded over 80,000 times. Upgrades to the RMS are providing more pricing features and analytical data, further establishing it as a tool that dealers rely upon to run an effective dealership.

Operating and Financial Review (continued)

Thailand operating metrics and performance:

2015 was a year of consolidation in Thailand as one2car.com (acquired in December 2014) was successfully integrated into the iCar Asia Group. Through that integration process, iCar Asia Thailand was able to achieve EBITDA profitability for the full July - December period. Other key achievements were:

Audience: 1,730,525 people visited one2car.com in January 2016, up 10% from January 2015. The focus in Thailand has been on ensuring that audience growth is targeted to people that are in the buying cycle for a new or used car.

Leads: 226,225 leads were delivered to sellers during January 2016 as per the refined lead measurement. By comparison, iCar Asia's second automotive classified site in Thailand delivered 9,275 in the same month - a clear indication into the dominant position that one2car.com holds in the Thai market.

Paying dealers: 1,586 Car Dealers paid to advertise on one2car.com in December 2015. One2car.com is the only site in the iCar Asia Group which is paid in arrears. Twelve months ago more than 20% of the dealer customer base were late or 'never' payers. An active program was initiated to tighten payment terms and remove poor paying car dealers. This successful program has resulted in retaining the same volume of paying car dealers who now all pay within 60 day terms.

Average revenue per account: 'ARPA' in December 2015 was THB2,011 (A$80) per month, up 14% from December 2014 when it was THB1,767 (A$70). As in Malaysia, delivery of more depth products during the first half of 2016 will provide opportunities to increase ARPA.

An enormous amount of change has occurred in the Thai business in 2015 with the integration of one2car.com, roll-out of iCar's market-leading Response Management System and launch of new car research and content. These developments put the business in a strong position for growth in 2016.

Indonesia operating metrics and performance:

Mobil123.com had a break-out year in 2015 establishing a clear leadership position in the Indonesian market. The objective at the start of 2015 was to grow the number of dealers using the RMS and drive engagement in 'free' Feature Listings and Bump products. Delivery of these objectives resulted in the commencement of dealer monetisation during the fourth quarter of 2016, ahead of management expectations. Other key achievements were:

Audience: 1,844,292 people visited mobil123.com during January 2016, up 27% from January 2015.

Leads: 193,134 leads were delivered during January 2016 as per the refined lead measurement. The key focus of the business is to grow our lead volume which is showing strong increases month on month.

Paying dealers: 1,735 Car Dealers have paid to upgrade to a Feature Listing and Bump since monetisation commenced in October 2015. This is testament to number of dealers that were engaging with our RMS on a regular basis and the volume of leads mobil123.com sends to car dealers every month.

Average revenue per account: It is early stages of monetisation for both mobil123.com and the Indonesian market in general. The December 2015 ARPA was IDR117,936 (A$12), however it is positive to have dealers paying to advertise their vehicles on mobil123.com.

In 2015 mobil123.com also opened offices in Bandung and Surabaya expanding the number one footprint from Greater Jakarta across Java. Consumer mobile applications were also launched in December 2015 for both Android and iOS, with more than 16,000 downloads to date. This sets up mobil123.com for a strong 2016.

Operating and Financial Review (continued)

The iCar Asia Team

At the conclusion of 2015 there were 294 full-time employees across Malaysia, Indonesia and Thailand, down from 344 in December 2014.

Full-time employees were reduced due to the integration of one2car.com into iCar Asia Thailand which significantly reduced duplicated job responsibilities. A key HR focus across the Group was recruiting an enhanced skill set to ensure the capability to execute our strategy and move at the dynamic pace that is necessary to achieve key milestones ahead of any potential competitor.

The business continues to strive to build a high-performance culture driven by achievement of KPI's. Every employee is set clear and measureable KPI's on a quarterly basis which relate to the core objectives iCar is striving to achieve. Each employee's performance versus these KPI's and behaviour versus our core values is evaluated at the end of each quarter and reset for the coming quarter. This candid feedback environment fosters the high performance climate and ensures every employee has full understanding of their job responsibilities and how it contributes to the achievement of iCar Asia's vision to become ASEAN's largest and most trusted digital automotive market-place.

Operating successfully in Asia is all about attracting and keeping the very best talent and ensuring strategic plans are executed well, something that is much easier said than done. In 2015 iCar moved its Head Office in Kuala Lumpur to Mid Valley City, a hub for online businesses in the region. The office is an environment that allows iCar Asia to attract and retain the best online talent and foster a unique creative environment.

The achievements of so many milestones during 2015 is testament to the amazing team the business has and continues to build. iCar Asia's people are relentlessly focussed on changing and improving the way that people buy and sell cars in the ASEAN region.

Significant changes in the state of affairs

On 10 July 2015 iCar Asia Limited issued 17,692,308 shares in connection with an institutional placement at an issue price of $0.65 per share. Gross proceeds were $11,500,000. After raising costs, the net amount was $10,936,636.

On 6 August 2015 iCar Asia Limited issued 5,379,503 shares in connection with a rights issue at an issue price of $0.65 per share. Gross proceeds were $3,496,677. After raising costs, the net amount was $3,356,101.

On 18 August 2015 iCar Asia Limited issued 5,841,000 shares to carsales.com Limited in connection with their existing top-up right at an issue price of $0.65 per share. Gross proceeds were $3,796,650. After costs, the net amount was $3,746,010.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the reporting date

No matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

2015 closed with the Group having a clear leading position on core metrics in the three largest automotive markets in ASEAN. All three countries have high penetration and engagement in iCar's market-leading Response Management System and are monetised.

Our product focus is to further develop the consumer experience on desktop, mobile and app in all three countries with the objective to further grow buyer engagement and deliver a higher volume of leads to sellers. iCar's consumers can expect to see considerable change during 2016.

The Group will continue to experiment on what are the right monetisation models that generate the greatest revenue opportunity. This is evident in the experimentation with 'pay per lead' in Malaysia and commencing early monetisation in Indonesia.

The company maintains a buoyant view of 2016. With clear leadership positions established, the key focus will be to deliver profitable revenue growth in both Malaysia and Thailand. Indonesia will continue to receive considerable investment whilst demonstrating strong year on year increases in revenue.

Environmental regulation

The Group takes a responsible approach in relation to the management of environmental matters. All significant environmental risks have been reviewed and the Group has no legal obligation to take corrective action in respect of any environmental matter. The Group's operations are not subject to significant environmental regulations.

Indemnity and insurance of officers

The Group has indemnified all current and previous Directors of the Group, the Company Secretary and certain members of senior management against all liabilities or loss (other than to the Group or a related body corporate) that may arise from their position as officers of the Group, except where the liabilities arise out of conduct involving a lack of good faith or where indemnification is otherwise not permitted under the Corporations Act. The indemnity stipulates that the Group will meet the full amount of any such liabilities, including costs and expenses, and covers a period of seven years after ceasing to be an officer of the Group.

The Group has executed deeds of indemnity with each of the non-executive Directors.

During or since the financial year, the Company has paid premiums in respect of a contract insuring all the directors of iCar Asia Limited against legal costs incurred in defending proceedings for conduct other than:

(a) A wilful breach of duty
(b) A contravention of sections 182 or 183 of the Corporations Act 2001, as permitted by section 199B of the Corporations Act 2001

The Group's insurer prohibits the disclosure of premiums paid.

Indemnity of auditors

To the extent permitted by law, the Group has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

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 31 December 2015, and the number of meetings attended by each Director were:

	Full Board		Audit & Risk Committee		Remuneration & Nomination Committee	
	Attended	Held	Attended	Held	Attended	Held
Patrick Grove	14	14	-	-	-	-
Lucas Elliott	13	14	2	4	4	4
Shaun Di Gregorio	14	14	2	4	4	4
Mark Britt	13	14	1	4	4	4
Cameron McIntyre	13	14	4	4	4	4
Ajay Bhatia	13	14	-	-	-	-

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

Auditor independence and non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 22 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are of the opinion that the services as disclosed in note 22 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former audit partners of Ernst & Young

There are no officers of the company who are former audit partners of Ernst & Young.

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 page 20.

Auditor

Ernst & Young continues in office in accordance with section 327 of the *Corporations Act 2001*.

Remuneration Report (audited)

The remuneration report, which has been audited in accordance with section 300A of the *Corporations Act 2001*, outlines the key management personnel remuneration arrangements for the Group.

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

A Principles used to determine the nature and amount of remuneration

The membership, responsibilities, authority and activities of the Remuneration & Nomination Committee are set out in the Remuneration & Nomination Committee Charter, which has been approved by the Board.

The responsibilities of the Remuneration & Nomination Committee are to:

- Monitor, review and recommend to the Board, as necessary and appropriate:
  - the remuneration, superannuation and incentive policies and arrangements for the Chief Executive Officer and key management personnel (i.e. those executives who report directly to the Chief Executive Officer);
  - the remuneration arrangements for Non-executive Directors on the Board;
  - the recruitment, retention and termination policies and procedures for the Chief Executive Officer and key management personnel; and
  - key appointments and executive succession planning.
- Oversee the Group's general remuneration strategy;
- Review the composition of the Board including:
  - the criteria for selection of directors, having regard to the need for the breadth and depth of skills and experience on the Board; and
  - the process for selecting new Directors.
- Monitor the Group culture and reputation and review behavioural standards on a regular basis, and report and submit recommendations to the Board.

The Chief Executive Officer and the Chief Financial Officer attend meetings by invitation to assist the Committee in its deliberations except on matters associated with their own remuneration.

Remuneration Report (audited) (continued)

Advisers

External specialist remuneration advice is sought on an as-needs basis in respect of remuneration arrangements for non-executive Directors of the Board and key management personnel of the Group. General reward advice is sought on an ad hoc basis. No external advisors were used during the current or prior years.

Reward policy

The Group has an established policy for determining the nature and amount of emoluments of Board Members and key management personnel of the Group to align remuneration with the creation of shareholder value. The remuneration structure for the key management personnel seeks to emphasise payment for results.

Reward philosophy

The Company's overall philosophy is to manage remuneration to:

- Create an environment that will attract top talent, and where people can be motivated with energy and passion to deliver superior performance;
- Recognise capabilities and promote opportunities for career and professional development;
- Provide rewards, benefits and conditions that are competitive within the markets in which the Group operates; and
- Provide fair and consistent rewards across the Group, which support corporate principles.

In accordance with the ASXCGPR, the structure of non-executive Directors and key management personnel remuneration is separate and distinct.

The Group has a policy of ensuring that part of the remuneration of key management personnel is directly linked to the performance of the Group. Key management personnel are therefore compensated with fixed remuneration and 'at risk' remuneration based on the key performance measures of the Group.

Non-executive Directors remuneration

The fees paid to non-executive Directors on the Board take into consideration the level of fees paid to Board members of other Australian corporations, the size and complexity of the Group's operations, the activities of the Group and the responsibilities and workload requirements of Board members.

Fees are established from time to time for the Chairman and non-executive Directors. The appointment letters for the non-executive Directors set out the terms and conditions of their appointments. These terms and conditions are in conjunction with, and subject to, the Company's Constitution and the charters and policies approved by the Board from time to time. Each non-executive Director receives a fee for being a Director of the Company. These fees are paid by the issue of iCar Asia Limited shares. The number of shares is determined by the VWAP over the period.

There were no share options granted to Directors during or since the end of the financial period.

Executive remuneration

The Company aims to reward key management personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Group and:

- Reward key management personnel for achievement of pre-determined key performance indicators;
- Link reward with the strategic goals and performance of the Group; and
- Ensure total remuneration is competitive by market standards.

Remuneration Report (audited) (continued)

The remuneration for key management personnel and staff will include an annual review using a formal performance appraisal process. The Remuneration & Nomination Committee recommends to the Board the level of fixed remuneration each year based on the performance of individuals.

The remuneration structure is in two parts:

- Fixed remuneration; and
- Variable remuneration

<u>Fixed remuneration</u>

The level of fixed remuneration is set so as to provide a base level of remuneration that is both appropriate to the position and is competitive in the market. Fixed remuneration comprises of payroll salary and other benefits. Individuals, however, may choose to sacrifice part of their salary to increase payments towards other benefits.

<u>Variable Remuneration</u>

Comprises of a short-term incentive plan and a long-term incentive plan.

Short term incentive plan (STI)

Short-term incentives are used to reward staff based on performance on a year by year basis. Rewards are made to participating key employee depending on the extent to which specific targets set at the beginning of the period are met. The targets relate to the earnings of the company and achievement of other KPIs aligned to the individual's specific business function. The percentage and threshold level can differ for each individual and are reviewed each year. Payments are made in the form of cash and shares as determined at the discretion of the Nomination & Remuneration Committee. Shares are issued at the VWAP for the year. Benefits are pro-rated where employees join during an STI year. It is intended that key employees of the Group will be eligible to participate in the STI program.

Long term incentive plan (LTI)

The Group has established a long term incentive plan (referred to hereafter as the 'Plan'). The Plan is part of the Group's remuneration strategy and is designed to align the interests of management and shareholders and assist the Group in the attraction, motivation and retention of executives. In particular, the Plan is designed to provide relevant executives with an incentive for future performance and encouraging those executives to remain with the Group. LTI payments are made to participating key employees depending on the extent to which specific targets set at the beginning of the plan are met. The targets relate to the earnings of the company, achievement of other KPIs aligned to the individual's specific business function and staff remaining in employment. Payments are made in the form of shares in the Group that are issued 2 years and 3 months after the end of the year to which they refer. The shares are issued at a VWAP for the period that the KPIs are set. For example: for the 2015 reporting period, the plan is payable in March 2018 based on the VWAP during the 2015 year. Benefits are pro-rated where employees join during a Plan year. It is intended at this stage that only key executives of the Group will be eligible to participate in the Plan.

Voting and comments made at the company's 2015 Annual General Meeting ('AGM')

The company received in excess of 75% of 'for' votes in relation to its remuneration report for the year ended 31 December 2014. The company did not receive any specific comments at the AGM in regard to its remuneration practices and report.

Remuneration Report (audited) (continued)

B Details of remuneration

Details of the remuneration of the key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following directors of the Group:

- Patrick Grove
- Lucas Elliott
- Mark Britt
- Shaun Di Gregorio
- Cameron McIntyre
- Ajay Bhatia

And the following persons:

2015	Short-term benefits			Share-based payments		Total	Performance Related
Name	**Cash salary and fees**	**Other**	**Non-monetary**	**LTI Shares & Units**	**Remuneration/STI Shares & Units[1]**		**%**
	$	$	$	$	$	$	
Non-Executive Directors:							
P Grove[2]	-	-	-	-	60,000	60,000	0%
L Elliott[2]	-	-	-	-	48,000	48,000	0%
S Di Gregorio	-	-	-	-	48,000	48,000	0%
M Britt	-	-	-	-	48,000	48,000	0%
C McIntyre[3]	-	-	-	-	48,000	48,000	0%
A Bhatia[3]	-	-	-	-	48,000	48,000	0%
Other Key Management Personnel:							
D Rielly	290,000	129,233	-	30,199	296,000	745,432	44%
J Dische	250,000	58,347	-	33,555	99,996	441,898	30%
J Caisse	230,000	98,107	-	80,127	92,000	500,234	34%
	770,000	**285,687**	**-**	**143,881**	**787,996**	**1,987,564**	

[1] Shares to be issued to directors in lieu of fees are to be ratified at the upcoming annual general meeting

[2] Shares allocated to the Director will be issued to Catcha Group Pte Ltd

[3] Shares allocated to the Director will be issued to carsales.com Limited

There were no termination benefits, long term benefits (except LTI) or post-employment/superannuation benefits in the current or prior year, hence the categories have been excluded from the tables above and below.

No material contracts involving Directors' interests were entered into since the end of the previous financial year, or existed at the end of the year, other than those transactions detailed in related parties note to the financial statements.

Remuneration Report (audited) (continued)

2014	Short-term benefits			Share-based payments		Total	Performance Related
Name	Cash salary and fees	Other	Non-monetary	LTI Shares & Units	Remuneration/STI Shares & Units[2]		%
	$	$	$	$	$	$	
Non-Executive Directors:							
P Grove[4]	-	-	-	-	60,000	60,000	0%
L Elliott[4]	-	-	-	-	48,000	48,000	0%
S Di Gregorio	-	-	-	-	48,000	48,000	0%
M Britt	-	-	-	-	48,000	48,000	0%
C McIntyre[5]	-	-	-	-	48,000	48,000	0%
A Bhatia[1,5]	-	-	-	-	8,000	8,000	0%
Other Key Management Personnel:							
D Rielly	280,000	96,594	-	54,502	294,753	725,849	48%
J Dische[3]	129,603	21,386	-	13,417	53,667	218,073	31%
J Caisse	230,000	66,587	-	75,213	173,142	544,942	46%
			-				
	639,603	**184,567**	**-**	**143,132**	**781,562**	**1,748,864**	

[1] Appointed 21 November 2014
[2] Shares to be issued to directors in lieu of fees were ratified at the annual general meeting
[3] Appointed 9 June 2014
[4] Shares allocated to the Director will be issued to Catcha Group Pte Ltd
[5] Shares allocated to the Director will be issued to carsales.com Limited

Shareholdings of KMP[1]
Shares held in iCar Asia Limited

31 December 2015	Balance at the beginning of the period 1 January 2015	Granted as remuneration	Net change Other[2]	Balance at the end of the period 31 December 2015
Non-Executive Directors:				
P Grove[3,4]	70,430,300	48,422	448,226	70,926,948
L Elliott[3,4]	70,430,300	38,738	457,910	70,926,948
S Di Gregorio	782,800	38,738	-	821,538
M Britt	566,134	38,738	-	604,872
C McIntyre[5]	-	38,738	(38,738)	-
A Bhatia[5]	-	6,456	(6,456)	-
Other Key Management Personnel:				
D Rielly	1,061,914	558,925	36,837	1,657,676
J Dische	-	45,635	19,304	64,939
J Caisse	475,579	48,261	11,906	535,746

Remuneration Report (audited) (continued)

[1] Includes shares held directly, indirectly and beneficially by KMP.

[2] All equity transactions with KMP other than those arising from remuneration by the Group have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

[3] P Grove and L Elliott have a relevant interest in securities held by Catcha Media Berhad and Catcha Group Pte Ltd totalling 70,926,948.

[4] Shares allocated to the Director were issued to Catcha Group Pte Ltd.

[5] Shares allocated to the Director were issued to carsales.com Limited under Net change Other category

C Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements.

Performance targets for key management personnel are based upon an entry 'gate' of overall company performance at EBITDA and then individual performance is assessed against KPIs specific to the individual business responsibilities. For the CFO, KPIs include closing cash balance and local company EBITDA profitability, successful integration of business intelligence tools and performance of the Operations Team. For the CBDO, KPIs include engagement with regional car manufacturers, the release of new products and growth in the new car revenue stream. CEO KPIs include those allocated to the CFO and CBDO and the total volume of leads sent from car buyers to sellers.

Details of these agreements are as follows (please refer to Section A for further information on short-term and long-term incentives):

Name:	Mr Damon Rielly
Title:	Chief Executive Officer
Term of agreement:	Extended from its original expiry from 31 December 2014 to 30 June 2016
Details:	Base salary cost is AUD 280,000 per annum until 30 June 2015 and AUD 300,000 per annum from 1 July 2015 until 30 June 2016. *Short term incentive* *1 January 2015 to 30 June 2015:* Up to 200,000 shares in iCar Asia Limited subject to meeting performance targets as set by the Board. *1 July 2015 to 30 June 2016:* Up to AUD 300,000 subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on the VWAP of the shares for the corresponding period. AUD 20,000 cash payment subject to satisfactory completion of the period. *Long term incentive* *1 January 2013 to 30 June 2014:* Up to AUD 50,000 per annum subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on the VWAP of the shares for the corresponding period and issued 2 years and 3 months after the annual period. *Other benefits:* Housing allowance of MYR 15,000 per month (equivalent to approximately AUD 5,000 per month). School fee allowance on average MYR 41,555 per child per annum (equivalent to approximately AUD 14,329 per annum). Please see above for performance criteria.

Remuneration Report (audited) (continued)

Name:	Mr Joe Dische
Title:	Chief Financial Officer
Term of agreement:	6 months termination notice period by executive and company.
Details:	Base salary cost is AUD 250,000 per annum. *Short term incentive* *1 January 2015 to 31 December 2015:* Up to AUD 100,000 per annum subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on the VWAP of the shares for the corresponding period. *After 1 January 2016* Up to AUD 150,000 per annum on the same terms. *Long term incentive* *1 January 2015 to 31 December 2015:* Up to AUD 75,000 per annum subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on the VWAP of the shares for the corresponding period and issued 2 years and 3 months after the period. *After 1 January 2016* Up to AUD 50,000 per annum on the same terms. *Other benefits:* Housing allowance of MYR 12,000 per month (equivalent to approximately AUD 4,000 per month). School fee allowance on average MYR 41,555 per child per annum (equivalent to approximately AUD 14,329 per annum). Please see above for performance criteria.

Name:	Mr Joey Caisse
Title:	Chief Business Development Officer
Term of agreement:	Ends 31 December 2016. 6 months termination notice period by executive and company.
Details:	Base salary cost is AUD 230,000 per annum. *Short term incentive:* Up to AUD 92,000 per annum with payment to be made via shares in the Company at an issue price calculated based on the VWAP of the shares for the corresponding period. *Long term incentive:* Up to AUD 69,000 per annum subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on the VWAP of the shares for the corresponding period and issued 2 years and 3 months after the period. *Other benefits:* Housing allowance of MYR 12,000 per month (equivalent to approximately AUD 3,056 per month). School fee allowance on average MYR 41,555 per child per annum (equivalent to approximately AUD 14,329 per annum). Please see above for performance criteria.

Remuneration Report (audited) (continued)

The Remuneration & Nomination Committee of the Board will recommend each year reasonable performance measures and targets for use in assessing each Executive's performance. After the end of each financial year, the Remuneration & Nomination Committee of the Board will review each Executive's performance in comparison to these measures and targets. STI targets (as a percentage of Total Executive Compensation ('TEC')) are to be determined annually by the Board, based on the recommendation of the Remuneration & Nomination Committee for the coming year. TEC is base remuneration inclusive of superannuation and benefits but excludes leave accrued not taken.

D Share-based compensation

Issue of shares

Details of shares issued to Directors and other key management personnel as part of compensation during the year ended 31 December 2015 are set out below:

Name	Date	No of shares	$Fair Value
Damon Rielly[1]	13/3/2015	121,056	134,372
Damon Rielly[2]	13/3/2015	237,869	71,361
Joe Dische	13/3/2015	45,635	50,655
Joey Caisse	13/3/2015	48,261	53,570
Patrick Grove[3]	3/6/2015	48,422	60,000
Lucas Elliott[3]	3/6/2015	38,738	48,000
Shaun Di Gregorio	3/6/2015	38,738	48,000
Mark Britt	3/6/2015	38,738	48,000
Cameron McIntyre[4]	3/6/2015	38,738	48,000
Ajay Bhatia[4]	3/6/2015	6,456	8,000
Damon Rielly[5]	10/7/2015	200,000	136,000

[1] Shares issued in lieu of 2014 STI

[2] Shares issued in lieu of 2012 LTI

[3] Shares allocated to the Director were issued to Catcha Group Pte Ltd

[4] Shares allocated to the Director were issued to carsales.com Limited

[5] Shares issued in lieu of first half 2015 STI

Remuneration Report (audited)

D Share-based compensation

Issue of shares (continued)

	Financial Year	Category	Number of Shares granted up to 31 December 2015	Number of shares vested during 2015	Fair Value per share $	Fair value of shares $	Grant date	Vesting date	Issue date
Non-Executive Directors:									
P Grove	2014	Director Fees	48,422	48,422	1.24	60,000	February 2015	February 2015	June 2015
L Elliott	2014	Director Fees	38,738	38,738	1.24	48,000	February 2015	February 2015	June 2015
S Di Gregorio	2014	Director Fees	38,738	38,738	1.24	48,000	February 2015	February 2015	June 2015
M Britt	2014	Director Fees	38,738	38,738	1.24	48,000	February 2015	February 2015	June 2015
C McIntyre	2014	Director Fees	38,738	38,738	1.24	48,000	February 2015	February 2015	June 2015
A Bhatia	2014	Director Fees	6,456	6,456	1.24	8,000	February 2015	February 2015	June 2015
Other Key Management Personnel:									
D Rielly	2012	LTI	237,869	237,869	0.30	71,361	February 2013	February 2015	March 2015
	2013	LTI	76,406	-	1.07	81,754	February 2014	February 2016	March 2016
	2014	LTI	20,176	-	1.11	22,395	February 2015	February 2017	March 2017
	2014	STI	121,056	121,056	1.11	134,372	February 2015	February 2015	March 2015
	2015	STI[1]	200,000	200,000	0.68	136,000	July 2015	July 2015	July 2015
J Dische	2014	LTI	27,381	-	1.11	30,393	February 2015	February 2017	March 2017
	2014	STI	45,635	45,635	1.11	50,655	February 2015	February 2015	March 2015
J Caisse	2013	LTI	105,440	-	1.07	112,821	February 2014	February 2016	March 2016
	2014	LTI	55,686	-	1.11	61,811	February 2015	February 2017	March 2017
	2014	STI	48,261	48,261	1.11	53,570	February 2015	February 2015	March 2015

[1] Shares issued in lieu of first half 2015 STI

Share based payments of $795,876 have been accrued in relation to 2015 in lieu of Directors Fees ($300,000) and STI / LTI ($495,876). The number of shares granted will be agreed at the meeting of the Nomination & Remuneration Committee in February 2016.

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 31 December 2015.

Remuneration Report (audited)

E Additional Information

The Group has a policy of ensuring that at least part of the remuneration of key management personnel is based on the performance of the Company. Key management personnel are compensated with fixed remuneration and 'at risk' remuneration based on revenue and earnings targets.

The earnings of the Group for the two years to 31 December 2015 are summarised below:

	2015	2014
Revenue	6,277,576	2,814,246
Loss after income tax	(12,537,199)	(16,699,930)
STI bonus paid as a % of available	100%	100%

The factors that are considered to affect total shareholders return ("TSR") are summarised below:

	2015	2014
Share price at financial year end ($A)	0.96	1.09
Basic loss per share (cents per share)	(5.43)	(8.64)
Diluted loss per share (cents per share)	(5.43)	(8.64)

This concludes the remuneration report, which has been audited.

Signed in accordance with a resolution of the directors.

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Patrick Grove
Chairman
24 February 2016
Kuala Lumpur

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Auditor's Independence Declaration to the Directors of iCar Asia Limited

As lead auditor for the audit of iCar Asia Limited for the financial year ended 31 December 2015, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of iCar Asia Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

David Mc

D. R. McGregor
Partner
24 February 2016

iCar Asia Limited and Controlled Entities
Statement of Comprehensive Income
For the year ended 31 December 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Revenue	5	6,277,576	2,814,246
Expenses			
Administration and related expenses		(2,384,490)	(3,205,471)
Advertising and marketing expenses		(5,027,313)	(5,793,362)
Employment related expenses	6	(8,728,163)	(5,782,766)
Premises and infrastructure expenses		(1,281,243)	(900,175)
Offline production costs		(311,678)	(323,816)
Depreciation and amortisation expense	6	(1,387,198)	(762,753)
Impairment of assets		-	(3,040,688)
Operating loss		(12,842,509)	(16,994,785)
Interest income		347,915	430,361
Interest expense	6	(42,605)	(49,853)
Loss before tax		(12,537,199)	(16,614,277)
Income tax (expense)/benefit	7	-	(85,653)
Loss after income tax expense for the year attributable to the owners of iCar Asia Limited and Controlled Entities	18	(12,537,199)	(16,699,930)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(200,982)	226,932
Other comprehensive income for the year, net of tax		(200,982)	226,932
Total comprehensive income for the year attributable to the owners of iCar Asia Limited and Controlled Entities		(12,738,181)	(16,472,998)
		Cents	**Cents**
Basic loss per share	31	(5.43)	(8.64)
Diluted loss per share	31	(5.43)	(8.64)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

iCar Asia Limited and Controlled Entities
Statement of Financial Position
As at 31 December 2015

	Note	Consolidated 2015 $	2014 $
Assets			
Current assets			
Cash and cash equivalents	8	18,509,382	15,361,635
Trade and other receivables	9	975,082	1,036,441
Other assets	10	1,362,769	689,890
Total current assets		**20,847,233**	**17,087,966**
Non-current assets			
Property, plant and equipment	11	480,800	533,994
Intangibles	12	6,567,687	6,106,929
Goodwill	12	17,192,743	17,034,220
Other non-current assets		25,384	-
Total non-current assets		**24,266,614**	**23,675,143**
Total assets		**45,113,847**	**40,763,109**
Liabilities			
Current liabilities			
Trade and other payables	13	2,176,186	4,482,916
Provisions	14	1,118,391	980,040
Total current liabilities		**3,294,577**	**5,462,956**
Non-current liabilities			
Borrowings	15	486,042	537,065
Total non-current liabilities		**486,042**	**537,065**
Total liabilities		**3,780,619**	**6,000,021**
Net assets		**41,333,228**	**34,763,088**
Equity			
Issued capital	16	89,328,100	70,188,628
Reserves	17	(10,099,347)	(10,067,214)
Accumulated losses	18	(37,895,525)	(25,358,326)
Total equity		**41,333,228**	**34,763,088**

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

iCar Asia Limited and Controlled Entities
Statement of Changes in Equity
For the year ended 31 December 2015

	Issued capital	Foreign currency translation reserve	Equity reserve	Share based payment reserve	Accumulated losses	Total equity
	$	$	$	$	$	$
Balance at 1 January 2015	70,188,628	(11,217)	(10,965,292)	909,295	(25,358,326)	34,763,088
Loss after income tax expense for the period	-	-	-	-	(12,537,199)	(12,537,199)
Other comprehensive income for the period, net of tax	-	(200,982)	-	-	-	(200,982)
Total comprehensive income for the period	-	(200,982)	-	-	(12,537,199)	(12,738,181)
Transactions with owners in their capacity as owners						
30,145,692 shares issued during the period	19,909,639	-	-	(627,027)	-	19,282,612
Transaction costs (net of tax)	(770,167)	-	-	-	-	(770,167)
Share to be issued in lieu of directors' remuneration	-	-	-	300,000	-	300,000
Share to be issued in lieu of STI and LTI	-	-	-	495,876	-	495,876
Balance at 31 December 2015	**89,328,100**	**(212,199)**	**(10,965,292)**	**1,078,144**	**(37,895,525)**	**41,333,228**

	Issued capital	Foreign currency translation reserve	Equity reserve	Share based payment reserve	Accumulated losses	Total equity
	$	$	$	$	$	$
Balance at 1 January 2014	36,854,151	(238,149)	(10,965,292)	650,700	(8,658,396)	17,643,014
Loss after income tax expense for the period	-	-	-	-	(16,699,930)	(16,699,930)
Other comprehensive income for the period, net of tax	-	226,932	-	-	-	226,932
Total comprehensive income for the period	-	226,932	-	-	(16,699,930)	(16,472,998)
Transactions with owners in their capacity as owners						
33,102,615 shares issued during the period	34,419,507	-	-	(550,700)	-	33,868,807
Transaction costs (net of tax)	(1,085,030)	-	-	-	-	(1,085,030)
Share to be issued in lieu of directors' remuneration	-	-	-	260,000	-	260,000
Share to be issued in lieu of STI and LTI	-	-	-	549,295	-	549,295
Balance at 31 December 2014	**70,188,628**	**(11,217)**	**(10,965,292)**	**909,295**	**(25,358,326)**	**34,763,088**

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

iCar Asia Limited and Controlled Entities
Statement of Cash Flows
For the year ended 31 December 2015

	Note	Consolidated 2015 $	2014 $
Cash flows from operating activities			
Receipts from customers		6,205,118	2,908,602
Payments to suppliers and employees		(18,991,874)	(14,507,280)
		(12,786,756)	(11,598,678)
Interest received		218,686	535,185
Interest paid		(42,291)	(90,100)
Net cash used in operating activities	30	(12,610,361)	(11,153,593)
Cash flows from investing activities			
Payments for property, plant and equipment		(213,640)	(288,437)
Payments for intangibles		(727,008)	(759,264)
Payments for purchase of subsidiaries, net of cash acquired		(1,329,894)	(14,164,799)
Net cash used in investing activities		(2,270,542)	(15,212,500)
Cash flows from financing activities			
Proceeds from issue of shares		18,793,328	30,241,138
Share issue transaction costs		(764,678)	(995,040)
Net cash provided by financing activities		18,028,650	29,246,098
Net (decrease)/ increase in cash and cash equivalents		3,147,747	2,880,005
Cash and cash equivalents at the beginning of the period		15,361,635	12,481,630
Cash and cash equivalents at the end of the period	8	**18,509,382**	**15,361,635**

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

1. Corporate information

The consolidated financial statements of iCar Asia Limited and its subsidiaries (collectively, the 'Group') for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of Directors made on 24 February 2016. The Directors have the power to amend and reissue the financial report.

iCar Asia Limited is a for profit public company incorporated in Australia and is listed on the Australian Securities Exchange. The Group's principal place of business is Centerpoint North Tower, Mid Valley City Lingkaran Syed Putra, Kuala Lumpur, Malaysia.

The Group's principal activities during the year were the development and operation of internet based automotive portals and the advertising, publication and distribution of automotive magazines in South East Asia.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis.

All amounts are presented in Australian dollars and are rounded to the nearest dollar unless otherwise stated.

Clarification of terminology used in Annual Report

Earnings/(Loss) before interest, income tax expense, depreciation and amortisation (EBITDA) reflects the loss for the period prior to including the effect of net finance costs, income taxes, depreciation, amortisation and impairment. Depreciation and amortisation are calculated in accordance with AASB 116: "Property, plant and equipment" and AASB 138: "Intangible Assets" respectively. Impairment is calculated in accordance with AASB 136: "Impairment of Assets". The Group believe that EBITDA is a relevant and useful financial measure used by management to measure the Group's ongoing operating performance.

2.2 Compliance with International Financial Reporting Standards (IFRS)

The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

2.3 Changes in accounting policies, disclosures, standards and interpretations

(i) Changes in accounting policies, new and amended standards and interpretations

The Group applied, for the first time, certain standards and amendments which are effective for annual periods beginning on or after 1 January 2015.The nature and the impact of each new standard and/or amendment is described below:

2. Summary of significant accounting policies

2.3 Changes in accounting policies, disclosures, standards and interpretations

(i) Changes in accounting policies, new and amended standards and interpretations (continued)

AASB 2014-1 Part A -Annual Improvements 2010–2012 Cycle Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2010–2012 Cycle

Application Date of Standard: 1 July 2014, Application Date: 1 January 2015

AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle.
Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items:
AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'.
AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137.
AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets.
AASB 116 & AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts.
AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.

These changes have not had a material impact on the Group.

AASB 2014-1 Part A -Annual Improvements 2011–2013 Cycle Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2011–2013 Cycle

Application Date of Standard: 1 July 2014, Application Date: 1 January 2015

Annual Improvements to IFRSs 2011–2013 Cycle addresses the following items:
AASB13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132.
AASB140 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3.

These changes have not had a material impact on the Group.

Amendments to Australian Accounting Standards - Part B
Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)

Application Date of Standard: 1 July 2014, Application Date: 1 January 2015

AASB 2014-Part B makes amendments in relation to the requirements for contributions from employees or third parties that are set out in the formal terms of the benefit plan and linked to service.
The amendments clarify that if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.

These changes have not had a material impact on the Group.

2. Summary of significant accounting policies

2.3 Changes in accounting policies, disclosures, standards and interpretations (continued)

(ii) Accounting Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ended 31 December 2015 are outlined below:

AASB 9 Financial Instruments

Application Date of Standard: 1 January 2018, Application Date: 1 January 2018

AASB 9 (December 2014) is a new standard which replaces AASB 139. This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.
AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments.

Classification and measurement

AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. There are also some changes made in relation to financial liabilities.

The main changes are described below.

Financial assets

a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.

b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

Financial liabilities

Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option.
Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows:

- The change attributable to changes in credit risk are presented in other comprehensive income (OCI)
- The remaining change is presented in profit or loss

AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount.

Impairment

The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.

2. Summary of significant accounting policies

2.3 Changes in accounting policies, disclosures, standards and interpretations (continued)

Hedge accounting

Amendments to AASB 9 (December 2009 & 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.
Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E.

AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014.
AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after 1 January 2015.

The Group does not expect this standard will have significant impact on the Group financial report however it will continue to assess this.

AASB 2014-4 Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)

Application Date of Standard: 1 January 2016, Application Date: 1 January 2016

AASB 116 Property Plant and Equipment and AASB 138 Intangible Assets both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset.

The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

The Group does not expect this standard will have significant impact on the Group financial report however it will continue to assess this.

AASB 15 Revenue from Contracts with Customers

Application Date of Standard 1 January 2018, Application Date: 1 January 2018

AASB 15 Revenue from Contracts with Customers replaces the existing revenue recognition standards AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations (Interpretation 13 Customer Loyalty Programmes, Interpretation 15 Agreements for the Construction of Real Estate, Interpretation 18 Transfers of Assets from Customers, Interpretation 131 Revenue—Barter Transactions Involving Advertising Services and Interpretation 1042 Subscriber Acquisition Costs in the Telecommunications Industry). AASB 15 incorporates the requirements of IFRS 15 Revenue from Contracts with Customers issued by the International Accounting Standards Board (IASB) and developed jointly with the US Financial Accounting Standards Board (FASB).

2. Summary of significant accounting policies

2.3 Changes in accounting policies, disclosures, standards and interpretations

AASB 15 Revenue from Contracts with Customers (continued)

AASB 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments).The core principle of AASB 15 is that an entity recognises 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. An entity recognises revenue in accordance with that core principle by applying the following steps:

(a) Step 1: Identify the contract(s) with a customer
(b) Step 2: Identify the performance obligations in the contract
(c) Step 3: Determine the transaction price
(d) Step 4: Allocate the transaction price to the performance obligations in the contract
(e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Currently, AASB 15 is effective for annual reporting periods commencing on or after 1 January 2017. Early application is permitted. (Note A)

AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15.

The Group has made a preliminary assessment and does expect this standard to have an impact on the Group financial report largely through the accounting for the utilisation of prepaid credits that can be applied for services. The Group is continuing its analysis and assessing the impact of the standard on systems and processes.

AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101
Application Date of Standard: 1 January 2016, Application Date: 1 January 2016

The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.

The Group does not expect this standard will have significant impact on the Group financial report however it will continue to assess this.

2. Summary of significant accounting policies

2.3 Changes in accounting policies, disclosures, standards and interpretations (continued)

AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle
Application Date of Standard: 1 January 2016, Application Date: 1 January 2016

The subjects of the principal amendments to the Standards are set out below:

AASB 5 Non-current Assets Held for Sale and Discontinued Operations:

- Changes in methods of disposal – where an entity reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale (or visa versa), an entity shall not follow the guidance in paragraphs 27–29 to account for this change.

AASB 7 Financial Instruments: Disclosures:

- Servicing contracts - clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is 'continuing involvement' for the purposes of applying the disclosure requirements in paragraphs 42E–42H of AASB 7.

- Applicability of the amendments to AASB 7 to condensed interim financial statements - clarify that the additional disclosure required by the amendments to AASB 7 Disclosure–Offsetting Financial Assets and Financial Liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 Interim Financial Reporting when its inclusion would be required by the requirements of AASB 134.

AASB 119 Employee Benefits:

- Discount rate: regional market issue - clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level.

AASB 134 Interim Financial Reporting:

- Disclosure of information 'elsewhere in the interim financial report' - amends AASB 134 to clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of this information.

The Group does not expect this standard will have significant impact on the Group financial report however it will continue to assess this.

2. Summary of significant accounting policies

2.3 Changes in accounting policies, disclosures, standards and interpretations (continued)

IFRS 16 Leases
Application Date of Standard: 1 January 2019, Application Date: 1 January 2019
The AASB has not yet released the Australian equivalent to IFRS 16, being AASB 16 Leases, but is expected to do so at its February 2016 meeting.

The key features of IFRS 16 are as follows:

Lessee accounting

- Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.
- A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.
- Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.
- IFRS 16 contains disclosure requirements for lessees.

Lessor accounting

- IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.
- IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.

IFRS 16 supersedes:

(a) IAS 17 Leases;
(b) IFRIC 4 Determining whether an Arrangement contains a Lease;
(c) SIC-15 Operating Leases—Incentives; and
(d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, IFRS 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as IFRS 16.

The standard will have an impact on the Group which is currently being assessed.

2.4 Significant accounting policies

a) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of the Group at 31 December 2015 and the results for the year then ended.

2. Summary of significant accounting policies

2.4 Significant accounting policies

a) Basis of consolidation (continued)

Subsidiaries are all those entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

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

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

b) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

2. Summary of significant accounting policies

2.4 Significant accounting policies (continued)

c) 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 Group to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

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

Where the business combination is achieved in stages, the Group re-measures 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 Group 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 re-measured 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 group, the difference is recognised as a gain directly in profit or loss by the group 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 Group's previously held equity interest in the Group.

Business combinations are initially accounted for on a provisional basis. The Group 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 Group receives all the information possible to determine fair value.

d) Foreign currency translation

The financial report is presented in Australian dollars, which is the functional currency of the parent entity and the presentation currency of the Group.

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.

2. Summary of significant accounting policies

2.4 Significant accounting policies

d) Foreign currency translation (continued)

Foreign operations

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

On consolidation, the assets and liabilities of the Group's foreign operations are translated into Australian dollars, being the Group's presentation currency, at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed.

e) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Revenue is recognised where the contract outcome can be estimated reliably and control of the right to be compensated for their service and the stage of completion can be reliably measured. Advance billings are deferred and released in the appropriate period when the service is delivered. Prepayments are capitalised and released in the appropriate period when service is delivered.

Barter transactions
The group periodically enters into barter transactions and revenue is recognised based on the requirements of SIC 31.

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.

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

2. Summary of significant accounting policies

2.4 Significant accounting policies (continued)

f) Taxes

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 investments in subsidiaries, associates or interests in 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 is 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 entity's which intend to settle simultaneously.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit and loss.

Other taxes

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

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

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

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

2. Summary of significant accounting policies

2.4 Significant accounting policies (continued)

g) Property, plant and equipment

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment. Depreciation is calculated using either straight line or diminishing value based on the assessed appropriateness of each method for each entity within the company. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.
The following estimated useful lives are used in the calculation of depreciation:

Plant and equipment	2-5 years
Office equipment	3-5 years
Furniture and fittings	3-5 years
Leased plant and equipment	3-5 years

The useful lives are unchanged from the prior reporting period.

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

h) Leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases. Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset. Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Lease incentives
In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2. Summary of significant accounting policies

2.4 Significant accounting policies (continued)

i) Intangible assets

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the Group's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Intangible assets acquired separately

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

2. Summary of significant accounting policies

2.4 Significant accounting policies

i) Intangible assets (continued)

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Intangible assets acquired in a business combination
Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Acquired software
Software is not considered to have an indefinite life and is generally amortised over 3 - 5 years. If at any point the software is no longer in use or continuing to generate future economic benefits it will be written down to zero.

Intangible Assets with indefinite useful life
Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

j) Impairment of non-financial assets

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units ('CGUs') to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired and these CGU's are not larger than an operating segment. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The recoverable amount of a CGU is the higher of its fair value less costs of disposal and its value in use. The Group bases its impairment calculations on detailed budget and forecast calculations which are prepared separately for each CGU covering a period of five years. The first year of the period becomes the Annual Budget for the Group for the following year. A further four years are extrapolated at projected growth rates for both revenue and costs which management consider are appropriate for the business cycle and the markets the CGUs operate in. The five year cashflows are discounted using a weighted average cost of capital ('WACC'). WACC calculations are made for each CGU based upon prevailing long-term bond rates and market risk premiums. CGU-specific terminal multiples ('TMs') are applied to discounted fifth year cashflows. The TM is derived from WACC rates and long-term growth rates ('LTGR') using Gordon's Growth Formula.

Given the sensitivity of growth rates for both revenue and expenses due to stage of where the Group and the markets for which it operates are at, a range of possible scenarios are modelled to assess the carrying value of goodwill for impairment. These scenarios include: uplifts and downgrades of revenue assumptions and WACC and LTGR rates above and below those calculated.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2. Summary of significant accounting policies

2.4 Significant accounting policies (continued)

k) Cash and cash equivalents

Cash comprises cash on hand and on demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

l) 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 30 days for direct client billings and 90 days for agency billings.

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

m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. 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.

n) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in income over the period of the borrowing using the effective interest rate method. All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

o) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including interest on short-term and long-term borrowings.

2. Summary of significant accounting policies

2.4 Significant accounting policies (continued)

p) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company 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 reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

q) Employee benefits

Wages and salaries, annual leave and long service leave

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed when incurred.

Share-based payments

The Group measures the cost of equity settled transactions with employees and other parties based on the fair value of the equity provided at the grant date.

Where it is with employees in relation to performance payments in the future, the fair value is estimated based on an estimation of the probability of all performance criteria being met. This value is then used to discount the current value of the equity to determine an appropriate amount to be expensed each period until the vesting date. The estimate will have no impact on the carrying amount of the assets or liabilities of the company but may impact the value of expenses and equity in the current and future 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.

2. Summary of significant accounting policies

2.4 Significant accounting policies

q) Employee benefits (continued)

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

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

r) 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.

s) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of iCar Asia Limited and Controlled Entities, 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.

3. Critical accounting judgements, estimates and assumptions

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

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

Share-based payment transactions

The Group 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 an appropriate time framed VWAP of iCar Asia shares traded on the ASX at the grant date 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.

Estimation of useful lives of assets

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

Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2.4 j). 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.

Business combinations

As discussed in note 2.4 c), business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

4. Operating segments

Identification of reportable segments
The Group identifies the chief operating decision maker ('CODM') as the executive management team. Information reported to the executive management team for the purposes of resource allocation and assessment of performance is more specifically focused on the geographic location of services provided. The company operates in only one business segment which is the advertising segment.

The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The company's reportable segments are as follows: (No operating segments have been aggregated to form the reportable segments.)

Malaysia	Thailand
Indonesia	Corporate

4. Operating segments (continued)

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

Allocation of resources between segments
All assets are allocated to reportable segments except deferred tax assets as these are not recognised.
All liabilities are allocated to reportable segments except deferred tax liabilities.

Major customers
Revenue is generated from external customers. The Group does not have a major customer that contributes 10% or more to the Group's revenue.

Operating segment information

Consolidated - 2015	Malaysia $	Indonesia $	Thailand $	Corporate $	Intersegment eliminations/ unallocated $	Total $
Revenue						
Sales	3,635,615	152,462	2,446,695	-	-	6,234,772
Other revenue		1,087	41,717	-	-	42,804
Total sales revenue	3,635,615	153,549	2,488,412	-	-	6,277,576
Operating expenses	(5,178,164)	(3,502,963)	(3,352,888)	(5,698,872)	-	(17,732,887)
Loss before Interest, tax, depreciation and amortisation	(1,542,549)	(3,349,414)	(864,476)	(5,698,872)	-	(11,455,311)
Depreciation and amortisation	(543,766)	(7,642)	(339,959)	(495,831)	-	(1,387,198)
Impairment of assets	-	-	-	-	-	-
Interest income	2,164	-	684	345,067	-	347,915
Interest expense	(42,605)	-	-	-	-	(42,605)
Loss before income tax expense	(2,126,756)	(3,357,056)	(1,203,751)	(5,849,636)	-	(12,537,199)
Income tax expense						-
Loss after income tax expense						(12,537,199)
Assets						
Segment assets	3,314,919	658,084	20,754,797	20,386,047	-	45,113,847
Total assets						45,113,847
Liabilities						
Segment liabilities	1,462,662	762,127	439,811	1,116,019	-	3,780,619
Total liabilities						3,780,619

4. Operating segments (continued)

Consolidated - 2014	Malaysia $	Indonesia $	Thailand $	Corporate $	Intersegment eliminations/ unallocated $	Total $
Revenue						
Sales	2,126,078	105,268	582,900	-	-	2,814,246
Total sales revenue	2,126,078	105,268	582,900	-	-	2,814,246
Operating expenses	(4,727,711)	(2,590,363)	(3,042,941)	(5,644,575)	-	(16,005,590)
Loss before Interest, tax, depreciation and amortisation	(2,601,633)	(2,485,095)	(2,460,041)	(5,644,575)	-	(13,191,344)
Depreciation and amortisation	(434,442)	(91,346)	(106,819)	(130,146)	-	(762,753)
Impairment of assets	-	(3,040,688)	-	-	-	(3,040,688)
Interest income	1,561	-	3,950	424,850	-	430,361
Interest expense	(49,853)	-	-	-	-	(49,853)
Loss before income tax expense	(3,084,367)	(5,617,129)	(2,562,910)	(5,349,871)	-	(16,614,277)
Income tax expense						(85,653)
Loss after income tax expense						(16,699,930)
Assets						
Segment assets	5,672,377	398,695	20,783,764	13,908,273	-	40,763,109
Total assets						40,763,109
Liabilities						
Segment liabilities	2,340,496	813,725	835,111	2,010,689	-	6,000,021
Total liabilities						6,000,021

5. Revenue

	Consolidated 2015 $	Consolidated 2014 $
Sales	6,234,772	2,814,246
Other revenue	42,804	
Total sales revenue	6,277,576	2,814,246
Interest Revenue	347,915	430,361
	6,625,491	3,244,607

6. Expenses

	Consolidated 2015 $	Consolidated 2014 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	106,738	33,909
Plant and equipment	209,960	177,230
Fixtures and fittings	24,975	15,267
Total depreciation	341,673	226,406
Amortisation		
Websites, domain names, trademarks and other intangibles	1,045,525	536,347
Impairment of assets	-	3,040,688
Total depreciation, amortisation and impairment	1,387,198	3,803,441
Finance costs		
Interest and finance charges paid/payable	42,605	49,853
Employment and related expenses		
Salaries and wages	5,440,394	3,560,347
Super and pension related	529,733	122,344
Commissions	363,497	91,100
Other employment benefits	554,312	231,589
Share based payments - equity settled	874,806	924,694
Incentives/Bonus	965,421	852,692
Total employment and related expenses	8,728,163	5,782,766

There are currently 294 full-time employees (2014: 344).

7. Income tax expense

Income tax recognised in profit or loss

	Consolidated	
	2015	2014
	$	$
Current tax		
Current tax expense/(benefit) in respect of the current year	-	85,653
Under/(Over) provision of prior year tax	-	-
	-	85,653
Deferred tax		
Deferred tax expense recognised in the current year	-	-
	-	-
Total income tax expense/(benefit) recognised in the current year	-	-

The income tax expense for the year can be reconciled to the accounting loss as follows:-

Loss before tax from operations	(12,537,199)	(16,614,277)
Income tax expense calculated at 30% (2014: 30%)	(3,761,160)	(4,984,283)
Effect of different tax rates of subsidiaries operating in other jurisdictions	625,618	482,003
Temporary differences – accruals and provisions	(40,789)	197,682
Deductible costs relating to share issue expenses	(180,082)	(285,777)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	3,356,413	4,676,028
	-	85,653
Tax losses of a revenue nature	9,923,943	6,567,530
Deductible transaction costs arising on shares issued	556,035	375,953
	10,479,978	6,943,483

The above potential tax benefit has not been recognised in the statement of financial position as in the opinion of the directors the recovery of this benefit is uncertain due to insufficient sources of taxable income to utilise the losses and/or future deductions.

8. Current assets - cash and cash equivalents

	Consolidated	
	2015	2014
	$	$
Cash at bank	1,524,244	7,976,510
Cash on deposit	16,985,138	7,385,125
	18,509,382	15,361,635

9. Current assets - trade and other receivables

	Consolidated	
	2015	2014
	$	$
Trade receivables	975,082	1,036,411

The average credit period on rendering of services is 30 days for direct client billings and 90 days for agency billings. The Group does not charge interest on trade receivables for amounts owing past due date neither does it hold collateral over these balances. A provision for doubtful debts has been provided for estimated irrecoverable trade receivables past credit period determined by reference to past default experience and the change in quality of trade receivables.

The carrying amounts of trade receivable are assumed to approximate their fair value due to their short term nature.

Impairment of receivables

The Group has recognised a loss of $22,137 (2014: $31,395) in profit or loss in respect of impairment of receivables for the year ended 31 December 2015.

Past due but not impaired

Customers with balances past due but without provision for impairment of receivables amount to $171,153 as at 31 December 2015 ($377,033 as at 31 December 2014).

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

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

	Consolidated	
	2015	2014
	$	$
0-30 days	120,420	136,672
31-60 days	41,292	113,912
61-90 days	9,441	116,381
90 plus days	-	10,068
	171,153	377,033

Doubtful debts reconciliation	$
As at 1 January 2014	-
Charge for the year	31,395
Utilised	-
Unused amounts reversed	-
At 31 December 2014	31,395
Charge for the year	22,137
Utilised	(31,395)
Unused amounts reversed	-
At 31 December 2015	**22,137**

10. Current assets - other

	Consolidated	
	2015	2014
	$	$
Prepayments	432,044	292,330
Other deposits	267,422	202,770
Accrued interest and GST receivable	663,303	194,790
	1,362,769	689,890

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

	Consolidated	
	2015	2014
	$	$
Leasehold improvements - at cost	448,586	296,524
Less: Accumulated depreciation and impairment	(275,900)	(174,550)
	172,686	121,974
Plant and equipment - at cost	1,364,867	1,255,480
Less: Accumulated depreciation and impairment	(1,101,088)	(898,856)
	263,779	356,624
Furniture and fittings - at cost	171,648	156,063
Less: Accumulated depreciation and impairment	(127,313)	(100,667)
	44,335	55,396
	480,800	533,994

Reconciliations

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

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

	Leasehold improvements $	Plant and equipment $	Furniture and fittings $	Total $
Consolidated				
Balance at 1 January 2014	130,939	486,736	50,279	667,954
Additions	24,017	284,414	18,712	327,143
Movement to Other Intangibles*	-	(151,100)	-	(151,100)
Additions from business combinations	21,319	61,845	10,890	94,054
Impairment	(40,946)	(127,503)	(10,405)	(178,854)
Exchange differences	20,554	(20,538)	1,187	1,203
Depreciation expense	(33,909)	(177,230)	(15,267)	(226,406)
Balance at 31 December 2014	121,974	356,624	55,396	533,994
Additions	159,811	93,876	16,594	270,281
Exchange differences	(2,361)	23,239	(2,680)	18,198
Depreciation expense	(106,738)	(209,960)	(24,975)	(341,673)
Balance at 31 December 2015	172,686	263,779	44,335	480,800

*Transfer of website costs

12. Non-current assets- Intangibles and Goodwill

	Consolidated 2015 $	2014 $
Goodwill - at cost	17,192,743	17,034,220
	17,192,743	17,034,220
Other intangible assets - at cost	8,604,362	7,137,423
Less: Accumulated amortisation and impairment	(2,036,675)	(1,030,494)
	6,567,687	6,106,929
	23,760,430	23,141,149

12. Non-current assets- Intangibles and Goodwill (continued)

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

	Goodwill	Other intangibles acquired	Other intangibles Internally generated	Total
	$	$	$	$
Consolidated				
Balance at 1 January 2014	4,701,600	1,586,758	385,269	6,673,627
Additions	-	-	1,388,244	1,388,244
Additions through business combinations (note 6)	14,632,640	3,492,100	-	18,124,740
Impairment	(2,545,710)	(316,124)	-	(2,861,834)
Exchange differences	245,690	107,029	-	352,719
Amortisation expense	-	(415,185)	(121,162)	(536,347)
Balance at 31 December 2014	17,034,220	4,454,578	1,652,351	23,141,149
Additions	-	-	1,539,924	1,539,924
Exchange differences	158,523	109,964	(143,605)	124,882
Amortisation expense	-	(656,877)	(388,648)	(1,045,525)
Balance at 31 December 2015	17,192,743	3,907,665	2,660,022	23,760,430

Goodwill of $15,417,836 (2014: $15,087,427) is allocated to the Thailand cash generating unit after adjusting for foreign exchange rates at the balance sheet date.

Goodwill of $1,774,907 (2014: $1,946,793) is allocated to the Malaysian cash generating unit after adjusting for foreign exchange rates at the balance sheet date.

Goodwill is allocated for impairment testing purposes to the Indonesia cash generating unit with a carrying value of $nil (2014: $nil) as a result of an impairment in 2014.

	Consolidated	
	2015	**2014**
	$	**$**
Evo license (Malaysia)	-	359,891
Autospinn.com website (Thailand)	539,398	602,587
One2Car.com brand (Thailand)	2,223,080	2,162,528
One2Car.com customer base (Thailand)	1,145,189	1,329,572
Intangibles- Customer Relationship Management Platform	2,038,835	1,169,649
Intangibles-Websites and App development	467,589	357,526
Intangibles-Other	153,596	125,176
	6,567,687	6,106,929

The life of the One2car.com brand intangible assets is indefinite as it is the intention of the Group to always operate the One2car.com brand due its market reputation and high levels of unpaid online traffic. Autospinn.com is amortised over 10 years. The one2car.com customer base intangible asset has a life of 6 years reflecting historical customer churn. Internally-generated intangible assets are amortised over 3-5 years.

12. Non-current assets- Intangibles and Goodwill (continued)

The Group performed its annual impairment test at 31 December 2015. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 31 December 2015, the market capitalisation of the group was above the book value of its equity and therefore not an indicator of impairment.

Following accounting policy 2.4 j) the recoverable amount of the cash generating units was determined based on a value in use calculation.

The 5 year Group cashflows assume that revenues rise significantly year on year due to increased penetration of the used and new car market, the continued migration of advertising monies from offline to online and a strong ASEAN automotive advertising market. Long term growth rates were set by country reflecting relative long-term GDP growth, consequent rise in car ownership and iCar's market leadership positions.

Management have determined the appropriate WACC discount rate and long-term growth rates ('LTGR') for each of the CGU's as follows:

	WACC rate	Long term growth rates
Malaysia	14.5%	3%
Thailand	13.6%	3%
Indonesia	20.7%	5%

The CGU's are equivalent to the reportable segments.
The Malaysian CGU includes the exploitation of Carlist, Live Life Drive and Evo assets. The Thailand CGU includes the exploitation of One2car, Thaicar and Autospinn assets. The Indonesia CGU includes the exploitation of the Mobil123 asset.

Thailand and Malaysia CGU's

For the Malaysia and Thailand CGU's the WACC and LTGR rates used did not indicate impairment. Scenarios of 10% revenue upgrade and downgrade were analysed. WACC and LTGR scenarios of 8% to 20% and 1% to 5% respectively were analysed (varying by market). The scenarios did not indicate impairment.

Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregated carrying amount to exceed the aggregate recoverable amount of each cash generating unit.

Indonesia CGU

In the prior year goodwill, intangibles, and property plant and equipment were fully impaired. New intangibles and property, plant and equipment have been capitalised in the current year.

For the Indonesian CGU, the WACC and LTGR rates used did not indicate impairment. The amount by which the recoverable amount exceeds the carrying amount of the CGU is $2.0m. However if in isolation the revenue growth rate would decrease by 10% then the recoverable amount would be equal to the carrying amount of the Indonesian CGU. Due to the adequate coverage in the base scenario and the early stage of monetisation in Indonesia it is not considered that an impairment exists.

13. Current liabilities - trade and other payables

	Consolidated	
	2015	2014
	$	$
Trade payables and accruals	1,752,683	2,093,072
Billings in advance	423,503	707,690
Deferred consideration	-	1,682,154
	2,176,186	4,482,916

Refer to note 20 for further information on financial instruments.

The average credit period on purchases is normally 30 to 60 days. No interest is payable on trade payables. The consolidated entity has financial risk management in place to ensure that all payables are paid within the credit time frame.

The deferred consideration in the prior year included $706,544 in relation to the acquisition of DQBP Sdn Bhd which was completed on 8 March 2013. It was paid in cash and shares on 18 March 2015. The remainder ($975,610) is in relation to the One2Car transaction on 11 December 2014, this amount was paid on 22 January 2015.

14. Current liabilities - provisions

	Consolidated	
	2015	2014
	$	$
Employee benefits	55,803	169,714
Staff incentives and bonuses	876,056	633,862
Other	186,532	176,464
	1,118,391	980,040

The employee benefits category is composed of the compensated annual leave provision for the year which has reduced year on year with the implementation of polices to reduce carried forward leave. The 2015 carried forward balance will be utilised by March 2016 in line with company leave policies.

The staff incentives and bonuses provision is expected to be paid to employees by the end of March 2016.

The other provision category are provisions for withholding and VAT taxes in Indonesia.

Movements in provisions

Movements in each class of provision during the current financial year are set out below:

14. Current liabilities – provisions (continued)

	Employee Benefits	Staff incentives & bonuses $	Other $
Consolidated - 2015			
Carrying amount at the start of the year	169,714	633,862	176,464
Additional provisions recognised / foreign exchange differences	361,962	1,208,044	10,068
Amounts used	(475,873)	(965,850)	-
Carrying amount at the end of the year	55,803	876,056	186,532

15. Non-current liabilities - borrowings

	Consolidated	
	2015	**2014**
	$	**$**
Hire purchase	6,717	11,321
Shareholder loans	479,325	525,744
	486,042	537,065

Refer to note 20 for further information on financial instruments.

In 2012 a loan of RM 1,500,000 equivalent to $479,325 as at 31 December 2015 was advanced to the group from a shareholder of Auto Discounts Sdn Bhd. Interest is charged at a rate of 8% per annum for the 5 years term of the loan generating an interest expense of $42,605 in 2015 Financial Year – see Note 6 Expenses. Interest is payable annually by 31 May. The shareholder loan is unsecured and is repayable in full in 2017.

Hire purchase are loans generated from the financing of company cars for the Group. The hire purchase loan is unsecured.

16. Equity - issued capital

	Consolidated		Consolidated	
	2015	**2014**	**2015**	**2014**
	Shares	**Shares**	**$**	**$**
Ordinary shares - fully paid	247,915,348	217,769,656	89,328,100	70,188,628

16. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	No of shares	$
Balance	1 January 2013	184,667,041	36,854,151
Issue of shares - carsales.com Ltd	5 March 2014	7,179,240	7,179,240
Issue of shares - STI to employees	30 April 2014	543,553	581,602
Issue of shares - directors remuneration	10 June 2014	397,340	260,023
Issue of shares - carsales.com Ltd	27 June 2014	215,000	140,698
Issue of shares - employees	14 August 2014	186,672	300,000
Issue of shares - business purchase One2car.com	20 November 2014	19,100,000	21,000,000
Issue of shares - Vendor of One2car.com	12 December 2014	3,374,382	3,036,944
Issue of shares - Share Purchase Plan	12 December 2014	2,106,428	1,921,000
Share issue costs			(1,085,030)
Balance	31 December 2014	217,769,656	70,188,628
Issue of shares - STI/LTI to employees	13 March 2015	476,631	340,464
Issue of shares - Live Life Drive acquisiton	18 March 2015	346,420	379,848
Issue of shares - Directors remuneration 2014 year	3 June 2015	209,830	260,000
Issue of shares - Share placement	10 July 2015	17,692,308	11,500,000
Issue of shares - STI to employee	10 July 2015	200,000	136,000
Issue of shares - Share rights issue	4 August 2015	5,379,503	3,496,677
Issue of shares - carsales.com share issue	18 August 2015	5,841,000	3,796,650
Share issue costs			(770,167)
Balance	31 December 2015	247,915,348	89,328,100

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.

Capital risk management

The group manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity balance.

The group's capital risk management policy remains unchanged from the 31 December 2014 Annual Report. The capital structure of the group includes equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. The group operates in various countries, primarily through subsidiary companies established in the markets in which the group operates.

The group has sufficient cash to fund operating cash flows to maintain its current level of operations as well as to make the routine outflows of tax and the payment of any earn outs under contract. The group is not subject to any externally imposed capital requirements.

17. Equity - reserves

	Consolidated 2015 $	Consolidated 2014 $
Foreign currency reserve	(212,199)	(11,217)
Share-based payments reserve	1,078,144	909,295
Equity reserves	(10,965,292)	(10,965,292)
	(10,099,347)	(10,067,214)

	Foreign currency reserve $	Share-based payments reserve $	Equity reserves[1] $	Total $
Consolidated				
Balance at 1 January 2014	(238,149)	650,700	(10,965,292)	(10,552,741)
Foreign currency translation	226,932	-	-	226,932
Shares issued during the year	-	(550,700)	-	(550,700)
Shares to be issued in lieu of directors remuneration	-	260,000	-	260,000
Shares to be issued in lieu of LTI*	-	253,628	-	253,628
Shares to be issued in lieu of STI	-	295,667	-	295,667
Balance at 31 December 2014	(11,217)	909,295	(10,965,292)	(10,067,214)
Foreign currency translation	(200,982)	-	-	(200,982)
Shares issued during the year	-	(627,027)	-	(627,027)
Shares to be issued in lieu of directors remuneration	-	300,000	-	300,000
Shares to be issued in lieu of LTI	-	143,880	-	143,880
Shares to be issued in lieu of STI	-	351,996	-	351,996
Balance at 31 December 2015	(212,199)	1,078,144	(10,965,292)	(10,099,347)

* For financial year 2014 and 2015
[1]This is a consolidation adjustment relating to investment in Auto Discount Sdn. Bhd. (now iCar Asia Sdn. Bhd.)

18. Equity - accumulated losses

	Consolidated 2015 $	Consolidated 2014 $
Accumulated losses at the beginning of the financial year	(25,358,326)	(8,658,396)
Loss after income tax expense for the year	(12,537,199)	(16,699,930)
Accumulated losses at the end of the financial year	(37,895,525)	(25,358,326)

19. Equity - dividends

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

20. Financial instruments

Financial risk management objectives
The group'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 group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Foreign currency risk
The group is mainly exposed to Malaysian Ringgit (MYR), Indonesian Rupiah (IDR) and Thai Baht (THB) as a result of the operation of its subsidiaries in those markets. Foreign currency risk arises when future commercial transactions and recognised financial assets and liabilities are denominated in a currency that is not the entity's functional currency. As there is no material exposure to foreign currency risk within the financial assets and financial liabilities outside of each operating entity's functional currency, no sensitivity analysis has been prepared.

Interest rate risk
The group's exposure to interest rate risk is limited to the movement in interest rates in terms of its cash held at bank.

	2015		2014	
	Weighted average interest rate	**Balance**	**Weighted average interest rate**	**Balance**
	%	**$**	**%**	**$**
Consolidated				
Cash at bank	2.40	18,509,382	2.92	15,361,635
Net exposure to cash flow interest rate risk		18,509,382		15,361,635

An analysis by remaining contractual maturities is shown in 'liquidity and interest rate risk management' below.

	Basis points increase			Basis points decrease		
Consolidated - 2015	**Basis points change**	**Effect on profit before tax**	**Effect on equity**	**Basis points change**	**Effect on profit before tax**	**Effect on equity**
Cash at bank	50	72,582	-	50	(72,582)	-

	Basis points increase			Basis points decrease		
Consolidated - 2014	**Basis points change**	**Effect on profit before tax**	**Effect on equity**	**Basis points change**	**Effect on profit before tax**	**Effect on equity**
Cash at bank	50	72,898	-	50	(72,898)	-

20. Financial instruments (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has adopted a policy of generally dealing with reputable counterparties as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers and ongoing credit evaluation is performed on the accounts regularly. The group does not have any significant credit risk exposure to any single counterparty or any group of counterparties. The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the group's maximum exposure to credit risk.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with Board of Directors, who have built an appropriate liquidity risk management framework for the management of the group's short, medium and long- term funding, servicing and repayment of the shareholder loan (see Note 15 Non-current liabilities-borrowings) and liquidity management requirements. The group manages liquidity by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets with financial liabilities.

Remaining contractual maturities

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

Consolidated - 2015	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	%	$	$	$	$	$
Non-derivatives						
Non-interest bearing						
Trade payables	-	901,838	-	-	-	901,838
Interest bearing						
Shareholder Loan	8%	-	479,325	-	-	479,325
Total non-derivatives		901,838	479,325	-	-	1,381,163

Consolidated - 2014	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	%	$	$	$	$	$
Non-derivatives						
Non-interest bearing						
Trade payables	-	1,256,502	-	-	-	1,256,502
Deferred consideration	-	1,682,154	-	-	-	1,682,154
Interest bearing						
Shareholder Loan	8%	-	-	525,744	-	525,744
Total non-derivatives		2,938,656	0	525,744	0	3,464,400

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

20. Financial instruments (continued)

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.

21. Key management personnel disclosures

Directors
The following persons were directors of the Group during the financial year:

Patrick Grove	Non-executive
Lucas Elliott	Non-executive
Shaun Di Gregorio	Non-executive
Mark Britt	Non-executive
Cameron McIntyre	Non-executive
Ajay Bhatia	Non-executive

Other key management personnel
The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, during the financial year:

Damon Rielly	Chief Executive Officer
Joe Dische	Chief Financial Officer
Joey Caisse	Chief Business Development Officer

Compensation
The aggregate compensation made to directors and other members of key management personnel of the Group is set out below and are the amounts recognised as an expense in the reporting period.

	Consolidated	
	2015	**2014**
	$	**$**
Short-term employee benefits	1,055,687	824,170
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	931,877	924,694
	1,987,564	1,748,864

There were no share options or tax deferred shares granted during the year. Share-based payments refer to short-term and long term incentives for key management personnel and director remuneration. See the Remuneration Report for further information.

22. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the company:

	Consolidated	
	2015	**2014**
	$	**$**
Audit services - Ernst & Young		
Audit or review of the financial statements	206,800	189,200
Other services - Ernst & Young	12,136	6,600
	218,936	195,800

The fees paid to Ernst & Young for the group audit are inclusive of auditing the financial accounts of the subsidiaries and their respective local annual reports. The fees are not allocated.

The Other services provided by Ernst & Young in the year comprised of transfer pricing advice.

23. Contingent liabilities

There are various claims that arise in the ordinary course of business against the Group and its subsidiaries. The amounts of any liability (if any) at 31 December 2015 cannot be ascertained and the Group believes that any resulting liability would not materially affect the position of the group.

24. Commitments

	Consolidated	
	2015	**2014**
	$	**$**
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	371,056	351,160
One to five years	305,920	222,310
	676,976	573,470

Operating lease commitments relate to premises occupied by the group with lease terms currently still available of less than 5 years. The group does not have an option to purchase the premises at the expiry of the lease period.

The date that the premises leases terminate are as follows: Malaysia - May 2016 to December 2017, Thailand – June 2016 and Indonesia - November 2019.

The lease payments recognised in the profit and loss in 2015 were $376,405 (2014: $193,345).

25. Related party transactions

Parent entity
iCar Asia Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 28.

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

Transactions with related parties
During the year the Group purchased the following services from carsales.com Ltd (a major shareholder in iCar Asia Limited):

- $15,600 of services from Redbook (Automated Data Services Pty Ltd, an 100% subsidiary of carsales.com Limited)
- $94,870 of services from carsales.com Limited for content acceleration and content delivered image services
- $34,578 reimbursement of travelling expense incurred by Directors of the Group who are also employees of carsales.com Limited

During the year the Group purchased company secretarial services to a value of $63,960 from Australian Company Secretaries Pty Ltd, the principal of which is Nick Geddes who acted as Company Secretary throughout the year.
Director and director-related entities hold directly, indirectly or beneficially interests of 122,436,781 (2014: 116,105,387) in the ordinary shares of the company as at the reporting date.

During the year the Group entered into Media barter transactions to a value of $193,786 with iProperty Group. P Grove and L Elliott are Directors of both iProperty Group and the Group. Together P Grove and L Elliott have a relevant interest in securities of the Group held by Catcha Media Berhad and Catcha Group Pte Ltd totalling 70,926,948.

Receivable from and payable to related parties
There was a payable to Redbook (Automated Data Services Pty Ltd, an 100% subsidiary of carsales.com Ltd) for $1,300 in relation to services at the end of the current reporting period. The transaction is on normal commercial terms. There were no trade receivables from or trade payables to related parties at the previous reporting date.

Loans to/from related parties
There were no balances outstanding at the current or previous reporting date in relation to loans with related parties.

26. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2015	**2014**
	$	$
Loss after income tax	(1,512,904)	(2,398,246)
Total comprehensive income	(1,512,904)	(2,398,246)

26. Parent entity information (continued)

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity
- Investments in associates 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

Statement of financial position

	Parent	
	2015	**2014**
	$	$
Total current assets	17,264,326	14,103,672
Total assets	86,348,697	67,973,567
Total current liabilities	419,375	1,136,651
Total liabilities	419,375	1,578,695
Net Assets	85,929,322	66,394,872
Equity		
Issued capital	89,328,100	70,188,628
Reserves	1,558,447	66,744
Accumulated losses	(4,957,225)	(3,860,500)
Total equity	85,929,322	66,394,872

27. Business combinations

Livelifedrive.com

On 7 January 2013, the Group entered into an agreement to acquire 100% of DQBP Sdn Bhd, owner of the website and magazine "Live Life Drive" in Malaysia, and the deal was completed on 8 March 2013. On 29 January 2015, MYR 1,000,000 (equivalent to $346,200) was paid in cash and on 13 March 2015, MYR 1,000,000 (equivalent to $379,848) was paid in shares.

The accounting for this acquisition was finalised in the prior year and the MYR 5,500,000 consideration generated a goodwill balance of $1,921,603. Goodwill is attributable to revenue growth and increased customer engagement. As at the balance sheet date, goodwill had been revalued for changes in foreign exchange rates.

27. Business combinations (continued)

One2car.com

On 10 November 2014 the group entered into agreements to acquire 100% of One2Car Co Ltd, the owner of the website One2car.com and the transaction was completed on 11th December 2014.

The total consideration was Thai Baht 500 million, equivalent to $18,097,925 in a mixture of cash and shares. Equivalent $14,085,371 was paid in cash and equivalent $3,036,944 in iCar Asia shares in December 2014. Thai Baht 26,000,000, equivalent to $975,610 was paid on 22 January 2015. The latter payment was made directly to staff of One2car.com as mandated under the Share Sale Agreement. The accounting for this acquisition has been finalised.

Value of assets acquired at acquisition date:

	$
Brand	2,162,528
Customer base	1,329,572
Net assets	59,993
Goodwill	14,545,832
	18,097,925

As at 31 December 2015, goodwill is equivalent to $14,953,120 due to foreign exchange movements.

The Group recognised $509,035 of restructuring and related reorganisation expenses during the period. The costs were as follows:

	$
Administration and related expenses	26,791
Employment related expenses	468,608
Premises and infrastructure expenses	13,636
	509,035

The payment for severance and related benefits cost was completed on 22 January 2015.

28. Subsidiaries (continued)

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 of entity	Country of incorporation	Equity holding 2015 %	Equity holding 2014 %
iCar Asia Pte Ltd	Singapore	100	100
Netyield Sdn Bhd	Malaysia	100	100
iCar Asia Sdn Bhd	Malaysia	100	100
PT Mobil Satu Asia	Indonesia	100	100
iCar Asia (Thailand) Limited *	Thailand	100	100
DQBP Sdn Bhd	Malaysia	100	100
O2C Holdings (Thailand) Co. Ltd	Thailand	100	100
Perfect Scenery Ventures Limited	British Virgin Islands	100	100
One2Car Co., Ltd	Thailand	100	100

*Group holds an economic interest of 100% with a nominee Thai shareholder holding an interest in the company on behalf of the Group.

29. Events after the reporting period

No matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

30. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2015 $	Consolidated 2014 $
Loss after income tax expense for the year	(12,537,199)	(16,699,930)
Adjustments for:		
Depreciation, amortisation and impairment	1,387,198	3,803,441
Equity settled employee benefit	874,806	924,694
Doubtful debts expense	22,137	31,395
Employment costs capitalised	(1,009,022)	(291,736)
Exchange differences on translation of FX	(225,153)	73,424
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	61,359	(512,759)
(Increase)/decrease in other assets	(698,262)	(39,136)
Increase/(decrease) in trade and other payables	(624,576)	1,907,229
Increase/(decrease) in employee benefits	138,351	(350,215)
Net cash used in operating activities	(12,610,361)	(11,153,593)

31. Earnings per share

	Consolidated 2015 $	Consolidated 2014 $
Loss after income tax attributable to the owners of iCar Asia Limited and Controlled Entities	(12,537,199)	(16,699,930)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	230,836,146	193,284,054
Weighted average number of ordinary shares used in calculating diluted earnings per share	230,836,146	193,284,054
	Cents	**Cents**
Basic loss per share	(5.43)	(8.64)
Diluted loss per share	(5.43)	(8.64)

32. Share-based payments

Short-term and Long-term incentives

Short term incentive plan (STI)

Short-term incentives are used to reward staff based on performance on a year by year basis. Rewards are made to participating key employee depending on the extent to which specific targets set at the beginning of the period are met. The targets relate to the earnings of the company and achievement of other KPIs aligned to the individual's specific business function. The percentage and threshold level can differ for each individual and are reviewed each year. Payments are made in the form of cash and shares. Shares are issued at the VWAP for the year. Benefits are pro-rated where employees join during an STI year. It is intended that key employees of the Group will be eligible to participate in the STI program.

Long term incentive plan (LTIP)

The Group has established a long term incentive plan (referred to hereafter as the 'Plan'). The Plan is part of the Group's remuneration strategy and is designed to align the interests of management and shareholders and assist the Group in the attraction, motivation and retention of executives. In particular, the Plan is designed to provide relevant executives with an incentive for future performance and encouraging those executives to remain with the Group. LTI payments are made to participating key employees on the extent to which specific targets set at the beginning of the plan are met. The targets relate to the earnings of the company, achievement of other KPIs aligned to the individual's specific business function and staff remaining in employment. Payments are made in the form of shares in the Group that are issued 2 years and 3 months after the end of the year to which they refer. The shares are issued at a VWAP for the period that the KPIs are set. For example: for the 2015 reporting period, the plan is payable in March 2018 based on the VWAP during the 2015 year. Benefits are pro-rated where employees join during a Plan year. It is intended at this stage that only key executives of the Group will be eligible to participate in the Plan.

32. Share-based payments (continued)

Performance targets

The Remuneration & Nomination Committee of the Board will recommend each year reasonable performance measures and targets for use in assessing each Executive's performance. After the end of each financial year, the Remuneration & Nomination Committee of the Board will review each Executive's performance in comparison to these measures and targets. STI targets (as a percentage of Total Executive Compensation ('TEC')) are to be determined annually by the Board, based on the recommendation of the Remuneration & Nomination Committee for the coming year. TEC is base remuneration inclusive of superannuation and benefits but excludes leave accrued not taken.

Directors Remuneration

The Directors are remunerated in shares with no vesting requirements. The fair value of the share is deemed to be the value outlined on their Director contracts with the Group and is expensed in the profit and loss on an accrual basis. See the Remuneration Report within the Directors' Report.

Name	Date	No of shares	$Fair Value
Damon Rielly[1]	13/3/2015	121,056	134,372
Damon Rielly[2]	13/3/2015	237,869	71,361
Joe Dische	13/3/2015	45,635	50,655
Joey Caisse	13/3/2015	48,261	53,570
Patrick Grove[3]	3/6/2015	48,422	60,000
Lucas Elliott[3]	3/6/2015	38,738	48,000
Shaun Di Gregorio	3/6/2015	38,738	48,000
Mark Britt	3/6/2015	38,738	48,000
Cameron McIntyre[4]	3/6/2015	38,738	48,000
Ajay Bhatia[4]	3/6/2015	6,456	8,000
Damon Rielly[5]	10/7/2015	200,000	136,000

[1] Shares issued in lieu of 2014 STI

[2] Shares issued in lieu of 2012 LTI

[3] Shares allocated to the Director were issued to Catcha Group Pte Ltd

[4] Shares allocated to the Director were issued to carsales.com Limited

[5] Shares issued in lieu of first half 2015 STI

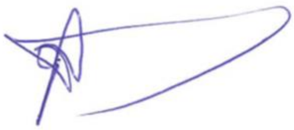
In the directors' opinion:

- 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 31 December 2015 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



Patrick Grove
Chairman

Kuala Lumpur
24 February 2016

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Independent auditor's report to the members of iCar Asia Limited

Report on the financial report

We have audited the accompanying financial report of iCar Asia Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of 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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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 about 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 controls 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 controls. 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*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

a. the financial report of iCar Asia 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 31 December 2015 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 2.

Report on the remuneration report

We have audited the Remuneration Report included in pages 11 to 20 of the directors' report for the year ended 31 December 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 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.

Opinion

In our opinion, the Remuneration Report of iCar Asia Limited for the year ended 31 December 2015 complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

David

D. R. McGregor
Partner
Melbourne
24 February 2016

The shareholder information set out below was applicable as at 23 March 2016.

ASX Listing Rule 4.10.19

iCar Asia Limited has used the cash and assets in a form readily convertible to cash it had at the time of admission in a way consistent with its business objectives.

Distribution of equitable securities

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

	Total holders of ordinary shares	Units
1 to 1,000	424	261,123
1,001 to 5,000	1,264	3,809,858
5,001 to 10,000	753	5,897,008
10,000 to 100,000	1,327	37,980,490
100,001 and over	109	200,435,661
	3,877	248,384,140
Holding less than a marketable parcel	151	33,826

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are:	Ordinary shares	
	Number held	% of total shares issued
REV ASIA BERHAD	52,500,000	21.14
CARSALES COM LIMITED	50,083,433	20.16
CITICORP NOMINEES PTY LIMITED	27,857,531	11.22
J P MORGAN NOMINEES AUSTRALIA LIMITED	12,649,885	5.09
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	11,950,711	4.81
AUSTRALIAN FOUNDATION INVESTMENT COMPANY LIMITED	4,554,649	1.83
NATIONAL NOMINEES LIMITED	2,608,879	1.05
MIRRABOOKA INVESTMENTS LIMITED	2,600,000	1.05
MR DAMON SHAY RIELLY	1,534,082	0.62
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	1,524,457	0.61
BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE NO 1 A/C>	1,485,121	0.60
MEDER PTY LTD <OWN INVESTMENT A/C>	1,273,000	0.51
MR MICHAEL STEWART BUNKER	1,250,000	0.50
BNP PARIBAS NOMS PTY LTD <DRP>	1,105,011	0.44
SMALLCO INVESTMENT MANAGER LTD <THE CUT A/C>	1,081,812	0.44
TIMSIM HOLDINGS PTY LTD <AD COOKES FAMILY A/C>	1,000,000	0.40
MR ROD BRANDENBURG	950,000	0.38
MR SHAUN ANTONY DI GREGORIO	821,538	0.33
TRACKLAW PTY LTD <ALCOCK/BROWN-NEAVES S/F A/C>	735,000	0.30
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	699,700	0.28
	178,264,809	**71.76**

Unquoted equity securities

There are no shares held in escrow

Substantial holders

Substantial security holders in the company are set out below:	Ordinary shares	
	Number held	% of total shares issued
CARSALES COM LIMITED	50,083,433	20.21
CATCHA GROUP PTE LTD	70,517,460	28.44
	120,600,893	**48.65**

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.

Directors	Patrick Grove (Chairman) Lucas Elliott Shaun Di Gregorio Mark Britt Cameron McIntyre Ajay Bhatia
Group Chief Executive Officer	Damon Rielly Damon.Rielly@icarasia.com
Group Chief Financial Officer	Joe Dische Joe.Dische@icarasia.com
Company Secretary	Mark Licciardo markl@mertons.com.au
Registered office	Level 7 330 Collins Street Melbourne VIC 3000 Australia Tel. +61 (3) 8689 9997 Fax. +61 (3) 9620 4709
Principal place of business	Suite 18.01- 3, Level 18, Centerpoint North Tower, Mid Valley City Lingkaran Syed Putra, 59200 Kuala Lumpur Malaysia Tel. +60 (3) 2776 6000 Fax. +60 (3) 2776 6010
Share register	Computershare Pty Ltd Yarra Falls 452 Johnston Street Abbotsford VIC 3067 Australia www.computershare.com
Auditor	Ernst & Young 8 Exhibition Street Melbourne VIC 3000 Australia
Stock exchange listing	iCar Asia Limited and Controlled Entities shares are listed on the Australian Securities Exchange (ASX code: ICQ)
Website	www.icarasia.com
Corporate Governance Statement	http://www.icarasia.com/investor-relations/corporate-governance/