

Appendix 4E (Rule 4.3A)

Preliminary Final Report

Name of Entity	ICSGLOBAL LIMITED
ABN	72 073 695 584
Financial Year Ended	30 June 2006
Previous Corresponding Reporting Period	Year ended 30 June 2005

Results for announcement to the market

	\$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	832	37.2%
Profit / (loss) from ordinary activities after tax attributable to members	(2,789)	8.8%
Net profit / (loss) for the period attributable to members	(2,789)	8.8%
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividends (if any)	Not applicable	
<p>The attached financial report includes a detailed review of the operations of the Company and an explanation of the accounting policies used in the preparation of the accounts.</p>		

Dividends

Date the dividend is payable	Not applicable
Record date to determine entitlement to the dividend	Not applicable
Amount per security	Not applicable
Total dividend	Not applicable
Amount per security of foreign sourced dividend or distribution	Not applicable
Details of any dividend reinvestment plans in operation	Not applicable
The last date for receipt of an election notice for participation in any dividend reinvestment plans	Not applicable

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	1.03 cents	0.84 cents

Other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position

The attached financial report includes a detailed review of the operations of the Company and an explanation of the accounting policies used in the preparation of the accounts.

Commentary on the Results for the Period

The earnings per security and the nature of any dilution aspects:

	Consolidated	
	2006	2005
• Basic earnings per share	(3.3) cents	(3.4) cents
• Diluted earnings per share is not materially different from basic earnings per share	(2.8) cents	(2.9) cents
• Weighted average number of ordinary shares Outstanding during the year used in the calculation of basic earnings per share	84,682,770	76,341,148
▪ Weighted average number of ordinary shares Outstanding during the year used in the calculation of diluted earnings per share	98,317,162	88,245,543
• Earnings used to calculate earnings per share	(2,789,133)	(2,562,416)

Returns to shareholders including distributions and buy backs:

- Not applicable


Significant features of operating performance: <ul style="list-style-type: none"> • Refer to Directors Report
The results of segments that are significant to an understanding of the business as a whole: <ul style="list-style-type: none"> • ICSGlobal's sole business is the ownership and operation of THELMA, the Transactional Health Exchange Linking Multiple Applications and the provision of related services to the health industry from Australia.
Discussion of trends in performance: <ul style="list-style-type: none"> • The attached financial report includes a detailed review of the operations of the Company and an explanation of the accounting policies used in the preparation of the accounts.
Any other factor which has affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified: <ul style="list-style-type: none"> ▪ No factors noted.

Audit/Review Status

This report is based on accounts to which one of the following applies:			
The accounts have been audited	Yes	The accounts have been subject to review	
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: <ul style="list-style-type: none"> • Not applicable 			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: <ul style="list-style-type: none"> • Not applicable 			

Attachments Forming Part of Appendix 4E

Attachment #	Details
1	Financial Statements
2	Auditors Report

Signed By (Director/Company Secretary) 	
Print Name: Timothy Murray	
Date: 11 September 2006	

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FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2006

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

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DIRECTORS' REPORT

Your directors present their report on ICSGlobal Limited and its Controlled Entities (collectively "the Group") for the financial year ended 30 June 2006.

DIRECTORS

The names of the directors in office from the start of the 2006 financial year to the date of this report are:

- Mr Dean A. Pritchard
- Mr Timothy J. Murray
- Mr Geoffrey E. Lambert

All the directors have been in office since the start of the financial year to the date of this report.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were the provision of services to the health industry and the ownership and operation of THELMA, the Transactional Health Exchange Linking Multiple Applications. No significant changes in the nature of these activities occurred during the year.

RESULTS OF OPERATIONS

The consolidated loss for the financial year, after income tax, amounted to \$2,789,133 (2005: \$2,562,416).

REVIEW OF OPERATIONS

In summary, apart from the organic growth in volumes locally, ICSGlobal has a number of major strategic opportunities unfolding in Australia, the UK and the US, any one of which has the potential to quickly and dramatically improve the financial position of the company.

Progress in Australia

- During the year, hospital transaction volumes grew by approximately 200%. Roll out of our hospital eligibility and hospital claim transactions to both public and private hospitals has matured into a very efficient, professional operation, and is still a unique service in Australia. Notable new hospitals that commenced using the THELMA service during the financial year include Mater South Brisbane Group of hospitals, Epworth Group of hospitals, Cabrini Group of hospitals, Mater Townsville Private Hospital, Brisbane Private Hospital, Calvary Health Care ACT, St Vincent's Hospital Lismore and Toowong Private Hospital. During the financial year, eleven new health insurance funds signed up and commenced using the THELMA service. This takes our national health insurance fund coverage to over 60%, made up of 24 funds including 11 of the top 15.
- Private patient medical claims (from specialists, pathologist, and radiologists) to health insurance funds is currently an important marketing focus in Australia. This is a market of about 11 million claims. Most of our current health insurance fund customers are already connected to the service and awaiting volume and a significant number of healthcare providers are registering through our web site to connect. Over 300 specialist doctors are already sending their claims through THELMA. The quickest way to ramp these volumes is to work with the vendors that provide the software to the doctors, to connect their software to THELMA. The announcement in June 2006 about Health Communication Network ('HCN'), Australia's leading provider of clinical and practice management software for GPs and Specialists, connecting to THELMA was a major development for ICSGlobal.
- ICSGlobal welcomed the recent announcement by the Prime Minister John Howard of new technology initiatives to enable Medicare claiming to be finalised at the doctor's surgery, rather than queuing to collect cash at a Medicare office. This is a positive sign of the government's resolve to work with the private sector to improve Medicare claims and payments. This is a further step in the process started by the Request for Information (RFI) issued by the Department of Human Services (DHS) in January this year. THELMA was included in a number of consortia that responded to this RFI. Given the preliminary solution design work done with several of the major banks over the past couple of years in anticipation of this new government initiative, and the fact that THELMA

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has been integrated to Medicare since April 2005, our view is THELMA is in a very strong position to be included in the final solution whatever form it takes. Details of the type of solution DHS will be looking for from the private sector are still to be released. The new solution may need to be "Smartcard enabled", which THELMA is already capable of handling.

Progress in the UK

- The rollout of THELMA-UK medical claims to the private health sector is proceeding as expected. Following the initial connection to the major UK software vendor to medical specialists, we are working with several of the major private health insurers to configure THELMA-UK to their business requirements. The rollout process is to repeat this process for each of the private health insurers - six of whom make up about 90% of the market. Other software vendors, when connected, will then roll out the electronic claims service to their doctor customer bases.
- We expect that hospital claims will also contribute to THELMA-UK revenue during the 2007 financial year.
- Once THELMA-UK has achieved widespread connectivity in the private health sector, and ramping volumes, opportunities exist for THELMA-UK to sell a range of electronic claims and reports back into the UK's massive National Health Service (NHS). The NHS has been progressively outsourcing public health to the private sector.

Progress in the US

- The size of the US healthcare market means that a different approach is required to licensing and rollout of THELMA than that used for Australia and the UK, as there are simply too many payers and providers to market to and connect directly to. Instead, our principle US strategy is to licence THELMA to established "middle players" who need THELMA-type capability in order to participate in the federal government's Consumer Driver Healthcare initiative. These organisations include banks, large systems integrators, software and Internet technology companies, and various regional product channel partners. Examples of specific opportunities:
 - The announcement in August 2006 of Florida-based Automated Decision System Response Corp (ADSR, see www.adsresponsecorp.com) and ICSGlobal combining the respective technologies to retrieve financial and clinical information from major US systems integrators to deliver to the point of consultation in ADSR's existing national hospital customer base.
 - A major US systems integrator looking at using THELMA's intelligent real time routing technology for almost a billion transactions initially, which will increase as additional types of transactions are added.
 - An established telephone-based patient payment and insurance information solution currently being utilised in over 400,000 physician locations across the US investigating adopting THELMA to become Internet-enabled.
 - One of the largest health insurers and a bank looking at THELMA to provide connectivity between their organisations to provide members with integrated health and financial services.
- We continue to collaborate with MedAccessPlus (MAP, see www.medaccessplus.com). MAP and ICSGlobal signed a Letter of Intent, announced in September 2005, and completed a successful Proof of Concept of THELMA for the US market in November, which enabled THELMA to receive HIPAA Certification to operate in the US. The final agreement between MAP and ICSGlobal will be influenced by the nature of the business that is ultimately jointly undertaken. As this is still unclear, the final agreement between MAP and ICSGlobal is on hold.
- While it is hard to pinpoint the source, size and timing of revenue from the US at this stage, we expect the US will make some contribution to revenue in the 2007 financial year.

DIVIDENDS PAID AND RECOMMENDED

No dividends have been paid or declared from the start of the year to the date of this report. The directors do not recommend the payment of a final dividend.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant changes in the Group's state of affairs occurred during the financial year other than the progress outlined in the Review of Operations and the two share placements made by the Group during 2006.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Subsequent to 30 June 2006, the following significant events have occurred:

- On 20 July 2006, the ICSGlobal lodged with ASIC and the ASX a prospectus for a non renounceable rights issue of one new share for every seven shares held, at the price of 25 cents per share. On 28 August 2006, ICSGlobal announced that 8,150,000 new shares had been issued as a result of the rights issue, raising approximately \$1.8 million after costs.
- On 16 August 2006, ICSGlobal announced that Florida based Automated Decision System Response Corp ("ADSR") and the Group have agreed to jointly produce a prototype of adding THELMA's real time eligibility service with ADSR's existing Healthcare Revenue Cycle Platform service to provide US healthcare providers with a turn-key patient verification and public assistance entitlement assessment solution.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Further information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

ENVIRONMENTAL REGULATION

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

The directors and company secretary have all been in office since the start of the financial year to the date of this report. The directors and company secretary in office are:

Dean A. Pritchard - Chairman and Non Executive Director

Appointed as Chairman in 1999, Dean holds a Bachelor of Engineering Degree from the University of Adelaide. He is a director of OneSteel Limited, Zinifex Limited, Eraring Energy and is chairman of Steel and Tube Holdings Limited (NZ). Dean was previously chief executive of Baulderstone Hornibrook.

Dean is also chairman of the remuneration committee, chairman of the nomination committee and a member of the audit committee.

Timothy J. Murray - Managing Director and Chief Executive Officer

Tim is the founder of ICSGlobal and has led the Group since its inception in 1990. Tim is responsible for the overall management of ICSGlobal and for the development of the strategic direction of the business into the future. He holds a Bachelor of Civil Engineering degree and has successfully applied construction project management principles into the IT industry.

Tim is a member of the remuneration committee and a member of the nomination committee.

Geoffrey E. Lambert - Non Executive Director

Geoff was appointed a director in 1999. He is currently chief executive of boutique investment house Byrne Lambert Woolf & Co. He holds a Master of Economics degree and is a Fellow of the Australian Institute of Company Directors. He is currently a director of Wedgetail Exploration N.L., Stratatel Limited and Reward Minerals Limited. In the past three years he has also been director of Encos Limited, Plantcorp Limited, Riversdale Mining Ltd and Prairie Downs Mines Ltd.

Geoff is the chairman of the audit committee and a member of the nomination committee.

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Thomas Walther - Company Secretary

Tom was appointed Company Secretary in 2000. Tom holds a Bachelor of Economics Degree from Macquarie University in Accounting and Finance and is an associate member of the Australian Society of CPAs. He was previously an accountant at Computer Power Group Ltd.

Meeting Attendance Record Of Each Director For The Financial Year

Name	Board of Directors		Audit Committee		Nomination Committee		Remuneration Committee	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
D. Pritchard	15*	15	2	2	1*	1	1*	1
T. Murray	15	15	-	-	1	1	1	1
G. Lambert	15	15	2*	2	1	1	-	-

*Non executive chairman of the committee

Director Share and Option Holdings as at the Date of this Report

Name	Number of Shares	Other Options	Number of Employee Options
Tim Murray	12,048,333	1,000,000 – exercise price \$0.60	Nil
Dean Pritchard	350,000*	Nil	100,000 – exercise price \$0.25
Geoff Lambert	57,143*	Nil	100,000 – exercise price \$0.25

*Shares held by an entity associated with the director.

REMUNERATION REPORT

The remuneration report is set out under the following main headings

- A. Principals used to determine the nature and amount of remuneration
- B. Details of remuneration
- C. Service Agreements
- D. Share Based Remuneration
- E. Additional Information

The information provided under headings A – D includes remuneration disclosures that are required under Accounting standard AASB 124 “Related Party Disclosures”. These disclosures have been transferred to the Directors’ Report from the financial report and have been audited. The disclosures in Section E are additional disclosures required by the Corporations Act 2001 and Corporations Regulations 2001, which have not been audited.

A. PRINCIPALS USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

Non Executive Director Remuneration

The board’s policy is to remunerate non executive directors at market rates for comparable companies and to reflect the time, commitment and responsibilities of the non executive directors. The remuneration committee reviews the remuneration of non-executive directors annually, based on market practice, duties and accountability.

The maximum aggregate remuneration for all non-executive directors of \$250,000 was approved by the shareholders at an annual general meeting held on 22 November 2002. Fees for non executive directors are not linked to the performance of the Group, however, to align non executive directors’ interests with shareholder interests, the non executive directors are encouraged to hold shares in ICSGlobal and have previously been allocated options under the ICSGlobal Employee Option Plan.

The level of non executive remuneration was last increased in November 2002.

Managing Director Remuneration

The objective of the board when determining the remuneration of the managing director, is to reinforce the short and long term goals of the Group. Consideration is given to normal commercial rates of remuneration for similar levels of responsibility. The board believes that the remuneration policy is appropriate and effective in its ability to attract and retain the best person to direct and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The managing director's remuneration has three components: base salary (which is based on factors such as qualifications, experience and performance), superannuation and long term incentives through options. The board of directors' reviews the managing director's remuneration each year by reference to the Group's performance, the managing director's performance and comparable information from industry sectors and other listed companies in similar industries.

The level of managing director remuneration was last reviewed on 20 December 2005.

Executives Remuneration

The objective of the Groups' Remuneration Committee when determining the remuneration of each executive is to reinforce the short and long term goals of the Group. Consideration is given to normal commercial rates of remuneration for similar levels of responsibility. The board believes that the remuneration policy is appropriate and effective in its ability to attract and retain the best executives, to run and manage the Group, as well as create goal congruence between the executives and shareholders.

All executives receive a base salary (which is based on factors such as qualifications, experience and performance), superannuation and employee options. The remuneration committee reviews executive packages at least once each year by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

Retirement Benefits

The directors and executives receive a superannuation guarantee contribution as required by law. Some individuals have chosen to sacrifice part of their salary to increase their superannuation payments.

In July 2003, the directors made a decision to discontinue an existing non-executive directors retirement benefits scheme. Accordingly, no benefits have been accrued since 30 June 2003. Amounts accrued under the scheme prior to 30 June 2003 will be paid to the respective non-executive director upon retirement.

Short Term and Long Term Incentives

The performance of the board and employees is formally reviewed at least once per year. The performance of employees is a key factor in the determination of remuneration increases.

The Group generally does not pay bonuses. In the 2006 financial year, the Company did not make any performance related cash payments to employees or directors.

The Group has issued key staff with employee options which vest based on revenue and cashflow performance milestones. In the board's opinion, these performance milestones are aligned with the objectives of the business and are important to Group's financial results.

Except for the managing director, all employees have been issued with employee options, which do not have performance criteria. These employee options vest over a three year period to encourage staff retention. Generally these options have been issued at an exercise price in excess of the share price at the date of grant. The Group has also issued ordinary options to the managing director. The ordinary options granted to the managing director have an exercise price of 60 cents and vested on 22 December 2005 and expire on 22 December 2009.

During the financial year, the managing director and the key executives were issued with options that do not have performance criteria. The exercise prices of these options are a significant premium to the current share price and hence acts as an incentive to improve the performance and share price of the Group.

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B. DETAILS OF REMUNERATION

Details of the remuneration of the directors and the key management personnel (as defined in AASB 124 "Related Parties") of ICSGlobal Limited and the ICSGlobal Limited Group are set out below.

The following executive offices (are also the five highest paid executives of the entity) had the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year:

- Mr Lindsay Martin – Chief Financial Officer
- Mr Tom Walther – Company Secretary
- Ms Wendy Larson – Strategic Integration Director
- Mr Michael Ford – Development Manager (Resigned 18 August 2006)
- Mr Lee Hamilton – Infrastructure Manager (Resigned 21 August 2006)
- Ms Helen Sloan – Implementation Director (Resigned 25 January 2006)

All of the above persons were also key management persons during the year ended 30 June 2005, except Lee Hamilton who commenced employment with the Group on 14 June 2005. All the key management are employed by ICSGlobal Limited.

2006	Short Term Employee Benefits		Post Employment	Share Based Payments	Total
	Salary	Director's Fees	Super-annuation	Value of Employee Options	
	\$	\$	\$	\$	\$
DIRECTORS					
D. Pritchard	-	90,002	8,100	-	98,102
T. Murray	316,861	-	12,139	-	329,000
G. Lambert	-	45,000	4,050	-	49,050
	-----	-----	-----	-----	-----
TOTAL	316,861	135,002	24,289	-	476,152
	=====	=====	=====	=====	=====
KEY MANAGEMENT PERSONNEL					
L. Martin	197,862	-	12,139	4,856	214,857
W. Larson	140,447	-	50,764	4,856	196,067
M. Ford	153,279	-	12,139	27,926	193,344
L. Hamilton	121,101	-	10,899	-	132,000
T. Walther	95,221	-	12,930	4,655	112,806
	-----	-----	-----	-----	-----
TOTAL	707,910	-	98,871	42,293	849,074
	=====	=====	=====	=====	=====

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2005	Short term benefits		Post Employment	Share Based Payments	Total
	Salary \$	Director's Fees \$	Super-annuation \$	Value of Employee Options \$	
DIRECTORS					
D. Pritchard	-	90,002	8,100	247	98,349
T. Murray	300,141	-	11,585	-	311,726
G. Lambert	-	45,000	4,050	247	49,297
	-----	-----	-----	-----	-----
TOTAL	300,141	135,002	23,735	494	459,372
	=====	=====	=====	=====	=====
KEY MANAGEMENT PERSONNEL					
L. Martin	181,916	-	11,585	9,637	203,138
W. Larson	151,334	-	20,001	9,637	180,972
H. Sloan	125,917	-	11,585	30,900	168,402
M. Ford	125,668	-	11,585	25,538	162,791
T. Walther	93,350	-	8,401	5,314	107,065
	-----	-----	-----	-----	-----
TOTAL	678,185	-	63,157	81,026	822,368
	=====	=====	=====	=====	=====

C. SERVICE AGREEMENTS

Employment conditions are formalised in contracts of employment. Other than the managing director, all executive employment contracts have no fixed term and stipulate a one month resignation notice period. The two non-executive directors are not subject to a notice period.

Mr Murray's term of employment is ongoing until terminated by either party. The contract may be terminated at any time by Mr Murray giving the Company six months notice or by the Company giving Mr Murray six months notice or payment of cash in lieu of notice.

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D. SHARE BASED REMUNERATION

The object of the ICSGlobal Employee Option Plan is to provide employees of ICSGlobal with the opportunity to acquire an ownership interest in ICSGlobal by way of options to acquire unissued ordinary shares in ICSGlobal. The ICSGlobal Employee Option Plan is administered by the board of directors in accordance with the rules of the ICSGlobal Employee Option Plan.

The rules of the ICSGlobal Employee Option Plan are described in detail in Note 19 of the Financial Statements.

The terms and conditions of each grant of employee options affecting executive remuneration in the previous, this or future reporting periods is as follows:

Grant date	Expiry Date	Exercise Price	Value Per Option At Grant Date	Number of Options	Vesting Date
20 December 2005	19 December 2010	\$0.50	Nil	675,000	33% 20 Dec 2006, 33% 20 Dec 2007, 33% 20 Dec 2008
23 December 2004	22 December 2009	\$0.50	\$0.08	100,000	33% 23 Dec 2005, 33% 23 Dec 2006, 33% 23 Dec 2007
23 December 2004	22 December 2009	\$0.50	\$0.27	65,000	33% 23 Dec 2005, 33% 23 Dec 2006, 33% 23 Dec 2007
20 October 2003	19 October 2008	\$0.25	\$0.31	100,000	33% 20 Oct 2004, 33% 20 Oct 2005, 33% 20 Oct 2006
20 October 2003	19 October 2008	\$0.25	\$0.31	25,000	1 October 2004
20 October 2003	19 October 2008	\$0.25	\$0.31	50,000	Revenue milestone
20 October 2003	19 October 2008	\$0.10	\$0.42	100,000	Cashflow milestone
24 January 2002	23 January 2007	\$0.25	Nil	50,000	1 October 2004
24 January 2002	23 January 2007	\$0.25	Nil	100,000	Revenue milestone
24 January 2002	23 January 2007	\$0.10	\$0.11	200,000	Cashflow milestone
7 July 2003	6 July 2008	\$0.10	\$0.27	200,000	Cashflow milestone
23 December 2004	22 December 2009	\$0.25	\$0.27	50,000	Revenue milestone
23 December 2004	22 December 2009	\$0.10	\$0.38	50,000	Cashflow milestone

Options Granted to Directors and Key Management Personnel

The following options were granted during the financial year to the directors as part of their remuneration:

On 18 January 2005, the directors approved an allocation to Mr Murray of 1,000,000 options. The options granted to Mr Murray have an exercise price of 60 cents. The options vested on 22 December 2005 and expire on 22 December 2009. The grant of these options was approved by shareholders at the Company's Annual General Meeting held on 17 November 2005. Using the Black Scholes valuation methodology, these options had a nil valuation.

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The following employee options were granted to key management personnel in the 2005 and 2006 financial years:

	Number Of Options Granted During The Year		Number Of Options Vested During The Year	
	2006	2005	2006	2005
KEY MANAGEMENT PERSONNEL				
L. Martin	250,000	-	8,333	8,333
W. Larson	250,000	-	8,333	8,333
M. Ford	100,000	175,000	30,000	-
L. Hamilton	100,000	-	-	-
T. Walther	75,000	100,000	33,333	-
	-----	-----	-----	-----
TOTAL	775,000	275,000	79,999	16,666
	=====	=====	=====	=====

The employee options granted in the 2006 financial year have an exercise price of fifty cents. The options expire on 19 December 2010 or upon the executive leaving the Company, whichever is earlier. The options vest and are exercisable as follows:

- On 19 December 2006, one third of the options granted
- On 19 December 2007, a further one third of the options granted
- On 19 December 2008, the remaining one third of the options granted.

The remuneration value of the employee options granted during the year was calculated using the Black Scholes methodology using a risk free interest rate of 5.50% (2005 5.50%), nil expected dividends, vesting assumptions outlined above and in the notes to the financial statements and a volatility factor of 0.38 (2005 0.83) based on the 12 month historical standard deviation statistics published in March 2006 by the Australian Graduate School of Management. Using the Black Scholes methodology, all the options granted during the financial year had a nil valuation.

Shares Provided On Exercise Of Employee Options

No directors exercised any employee options during either the 2006 or 2005 financial years. Details of employee options exercised during the year by key management personnel of the Group is set out below:

Name	Date of Exercise of Options	Number of Options Exercised During the Year	
		2006	2005
L. Martin	08 August 2005	250,000	-
W. Larson	25 November 2005	8,333	-
M. Ford	25 November 2005	11,668	-
L. Hamilton	-	-	-
T. Walther	-	-	-
		-----	-----
Total		270,001	-
		=====	=====

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E. ADDITIONAL INFORMATION

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

The amounts paid per ordinary share by each director and other key management personnel on the exercise of options at the date of exercise were as follows:

Exercise date	Amount paid per share
10 August 2005	\$0.25
1 December 2005	\$0.25

No amounts are unpaid on any shares issued on the exercise of options.

Performance Based Employee Options of Key Management Personnel

The following table shows the proportion of performance based employee options that have vested up to the date of this report and the performance employee options that have yet to vest.

	Years Performance Options Were Granted	Proportion of Options Vested	Financial Years In Which Options May Vest in the Future	Minimum Total Value Of Grant Yet To Vest	Maximum Total Value Of Grant Yet To Vest
		%		\$	\$
DIRECTORS					
D. Pritchard	-	-	-	-	-
T. Murray	-	-	-	-	-
G. Lambert	-	-	-	-	-
KEY MANAGEMENT PERSONNEL					
L. Martin	2002, 2003	6.1	2007, 2008	-	38,661
W. Larson	2002, 2003	6.1	2007, 2008	-	38,661
M. Ford	2003, 2004	-	-*	-	-
L. Hamilton	2005	-	-	-	-
T. Walther	2003	-	2007, 2008	-	13,654

* 275,000 performance based options lapsed as a result of the resignation of M. Ford.

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Employee Options of Directors and Key Management Personnel

The following table shows the proportion of remuneration consisting of employee options and provides additional details about employee options that were granted, exercised or lapsed during the 2006 financial year:

	A	B	C	D
	Proportion of Remuneration Consisting of Employee Options	Options Granted in 2006: Value at Grant Date	Options Exercised in 2006: Value at Exercise Date	Options that Lapsed in 2006: Value at Lapse Date
	%	\$	\$	\$
DIRECTORS				
D. Pritchard	0.0 %	-	-	-
T. Murray	0.0 %	-	-	-
G. Lambert	0.0 %	-	-	-
KEY MANAGEMENT PERSONNEL				
L. Martin	2.3 %	-	22,500	-
W. Larson	2.5 %	-	1,083	-
M. Ford	14.5 %	-	1,517	-
L Hamilton	0.0 %	-	-	-
T. Walther	4.1 %	-	-	-
A = The percentage of the value of remuneration consisting of options.				
B = The value at grant date calculated in accordance with AASB 2 Share-based Payment of options granted during the year as part of remuneration.				
C = The value at exercise date of options that were granted as part of remuneration and were exercised during the year.				
D = The value at lapse date of options that were granted as part of remuneration and that lapsed during the year.				

Details of options granted to the directors and key management personnel of the Group can be found in Section D of the Remuneration Report. No options have been granted since the end of the year.

Shares Under Option

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

Date Options Granted	Expiry Date	Issue Price Of Shares	Number Under Option
Dates between 24/01/2002 and 23/10/2003	Dates between 23/01/2007 and 22/10/2008	\$0.10	625,000
Dates between 30/11/2001 and 1/03/2005	Dates between 29/11/2006 and 28/02/2010	\$0.25	481,667
Dates between 01/12/2004 and 22/05/2006	Dates between 30/11/2009 and 23/05/2011	\$0.50	2,175,000
Total			3,281,667

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

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Shares Issued On The Exercise Of Options

The following ordinary shares of ICSGlobal Limited were issued during the year ended 30 June 2006 on the exercise of options granted under the Group Employee Option Plan. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

Date options granted	Issue price of shares	Number of shares issued
08/08/2000	\$0.25	250,000
04/09/2000 & 30/09/2001	\$0.25	36,668
01/03/2001	\$0.25	8,334
Total		295,002

Share Holdings

The number of shares in the group held during the financial year by each director of ICSGlobal Limited and other key management personnel of the group, including their personally related parties, are set out below. There were no shares granted during the financial year as remuneration.

2006	Balance as at 01/07/05	Options Exercised in 2005/06	On Market (Sale) / Purchase in 2005/06	Balance as at 30/06/06
DIRECTORS				
D. Pritchard ¹	300,000	-	-	300,000
T. Murray	12,048,333	-	-	12,048,333
G. Lambert ¹	50,000	-	-	50,000
	-----	-----	-----	-----
TOTAL	12,398,333	-	-	12,398,333
	=====	=====	=====	=====
KEY MANAGEMENT PERSONNEL				
L. Martin ²	288,857	250,000	(86,667)	452,190
W. Larson	60,605	8,333	-	68,938
M. Ford	-	11,668	6,000	17,668
L Hamilton	-	-	-	-
T. Walther	20,000	-	-	20,000
	-----	-----	-----	-----
TOTAL	369,462	270,001	(80,667)	558,796
	=====	=====	=====	=====

¹ Shares held by an entity associated with the director

² Shares held by the executive and a related party of the executive officer

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2005	Balance as at 01/07/04	Options Exercised in 2004/05	On Market (Sale) / Purchase in 2004/05	Balance as at 30/06/05
DIRECTORS				
D. Pritchard ¹	300,000	-	-	300,000
T. Murray	12,048,333	-	-	12,048,333
G. Lambert ¹	50,000	-	-	50,000
	-----	-----	-----	-----
TOTAL	12,398,333	-	-	12,398,333
	=====	=====	=====	=====
KEY MANAGEMENT PERSONNEL				
L. Martin ²	397,438	-	(108,581)	288,857
W. Larson	60,605	-	-	60,605
M. Ford	16,166	-	(16,166)	-
H.Sloan	30,000	-	-	30,000
T. Walther	32,334	-	(12,334)	20,000
	-----	-----	-----	-----
TOTAL	536,543	-	(137,081)	399,462
	=====	=====	=====	=====

¹ Shares held by an entity associated with the director

² Shares by a related party of the executive officer

AUDITOR INDEPENDENCE

It is the Group's policy to employ PKF for assignments additional to their annual audit duties, when PKF's expertise and experience with the Group are important. These assignments are principally tax assignments (refer to table below).

The directors are satisfied that the provision of non-audit services as set out below, did not compromise the auditors independence requirements of the Corporations act 2001 for the following reasons:

- All non audit services have been reviewed by the audit committee to ensure they do not impact on the impartiality and objectivity of the auditor
- None of the services undermine the general principals relating to auditor independence as set out in Professional standard F1 including reviewing or auditing the auditors own work, acting in a management or decision making capacity for the Group, acting as advocate for the Group, or jointly sharing economic risks or rewards.

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non audit related firms.

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PKF New South Wales Partnership	Consolidated		ICSGlobal Limited	
	2006	2005	2006	2005
	\$	\$	\$	\$
AUDIT SERVICES				
Audit and review of financial reports and other audit work under the Corporations Act 2001	26,000	25,870	26,000	25,870
OTHER ASSURANCE SERVICES				
Audit of issuer sponsored share register	-	925	-	925
TAXATION SERVICES				
Tax returns – assistance	5,940	5,350	5,940	5,350
Tax advice	1,040	5,830	1,040	5,830
R & D tax concession offset claim - assistance	25,000	22,000	25,000	22,000
	-----	-----	-----	-----
Total Remuneration of Audit Firm	57,980	59,975	57,980	59,975
	=====	=====	=====	=====

Declaration of Independence from the Auditor

A copy of the auditors independence declaration as required under sections 307C of the Corporations Act 2001 is set out on page 16.

INDEMNIFYING OFFICERS AND AUDITORS

During the 2006 financial year, the Group paid a premium in respect of a contract insuring the directors of the Group, the company secretary and all executive officers of the Group and of any controlled entities against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Group or of any controlled entity against a liability incurred as such an officer or auditor.

PROCEEDINGS ON BEHALF OF COMPANY

No proceeding have been brought or intervened in on behalf of the company with leave of the Court under Section 237 of the Corporations Act 2001. The Group was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the board of directors:



.....

Dean Pritchard
 Chairman



.....

Timothy Murray
 Managing Director & Chief Executive Officer

Dated this 11th day of September 2006

**Auditor's independence declaration
Under section 307C of the Corporations Act 2001**

To the Directors of ICSGlobal Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2006 there have been;

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

This declaration is in respect of ICSGlobal Limited and the entities it controlled during the period.



PKF



**Arthur Milner
Partner**

**Sydney
11 September 2006**

Income Statement

**ICSGLOBAL LIMITED
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006**

	NOTES	CONSOLIDATED		ICSGLOBAL LIMITED	
		2006 \$	2005 \$	2006 \$	2005 \$
Continuing Operations					
Revenue	4	832,400	606,635	831,623	605,954
Expenses					
Employee expenses		2,845,449	2,435,804	2,845,449	2,435,804
External contractor expenses		137,919	194,125	137,919	194,125
Occupancy expenses		252,105	223,228	252,105	223,228
Computer expenses		187,873	151,917	187,873	151,917
Travel expenses		79,923	82,522	79,923	82,522
Marketing expenses		105,052	55,935	105,052	55,935
Depreciation		118,772	132,278	118,772	132,278
Other expenses		214,629	248,563	213,852	247,882
	5	3,941,722	3,524,372	3,940,945	3,523,691
Loss from continuing operations		(3,109,322)	(2,917,737)	(3,109,322)	(2,917,737)
Income tax benefit relating to continuing operations	6	320,189	355,321	320,189	355,321
Loss for the period after income tax		(2,789,133)	(2,562,416)	(2,789,133)	(2,562,416)
Total changes in equity other than those resulting from transactions with owners as owners		(2,789,133)	(2,562,416)	(2,789,133)	(2,562,416)
Earnings Per Share from Continuing Operations					
Basic (cents per share)	17	(3.3)	(3.4)		
Diluted (cents per share)	17	(2.8)	(2.9)		

The above Income Statement should be read in conjunction with the attached notes.

Balance Sheet

**ICSGLOBAL LIMITED
BALANCE SHEET AS AT 30 JUNE 2006**

	NOTES	CONSOLIDATED		ICSGLOBAL LIMITED	
		2006	2005	2006	2005
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	15	1,049,181	741,105	1,024,841	734,446
Trade and other receivables	7	186,162	220,887	210,402	227,446
TOTAL CURRENT ASSETS		1,235,343	961,992	1,235,243	961,892
NON-CURRENT ASSETS					
Investments accounted for at cost	8	-	-	100	100
Investments at fair value	9	140,805	116,602	140,805	116,602
Property, plant & equipment	10	85,047	178,534	85,047	178,534
TOTAL NON-CURRENT ASSETS		225,852	295,136	225,952	295,236
TOTAL ASSETS		1,461,195	1,257,128	1,461,195	1,257,128
CURRENT LIABILITIES					
Trade and other payables	11	168,051	301,319	168,051	301,319
Provisions	12	128,309	126,256	128,309	126,256
TOTAL CURRENT LIABILITIES		296,360	427,575	296,360	427,575
NON-CURRENT LIABILITIES					
Trade and other payables	11	12,964	25,929	12,964	25,929
Provisions	12	240,082	148,974	240,082	148,974
TOTAL NON-CURRENT LIABILITIES		253,046	174,903	253,046	174,903
TOTAL LIABILITIES		549,406	602,478	549,406	602,478
NET ASSETS		911,789	654,650	911,789	654,650
EQUITY					
Contributed Equity	16	21,761,018	18,724,760	21,761,018	18,724,760
Accumulated Losses		(21,030,963)	(18,241,830)	(21,030,963)	(18,241,830)
Employee Option Expense Reserve	16	181,734	171,720	181,734	171,720
TOTAL EQUITY		911,789	654,650	911,789	654,650

The above Balance Sheet should be read in conjunction with the attached notes.

Statement of Changes In Equity

**ICSGLOBAL LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2006**

CONSOLIDATED GROUP AND PARENT ENTITY

	Issued Capital	Accumulated Losses	Employee Option Expense Reserve	Total Equity
	\$	\$	\$	\$
BALANCE AS AT 1 JULY 2004	16,566,290	(15,679,414)	88,799	975,675
Loss for the period	-	(2,562,416)	-	(2,562,416)
Issue of new shares				
6,515,150 Shares placed on 19 August 2004 @ \$0.33 each	2,150,000	-	-	2,150,000
500,000 Options exercised on 22 October 2004 @ \$0.20 each	100,000	-	-	100,000
95,666 Employee options exercised on 8 December 2004 @ \$0.25 each	23,916	-	-	23,916
35,000 Employee options exercised on 22 March 2005 @ \$0.25 each	8,750	-	-	8,750
Capital Raising Expenses	(124,196)	-	-	(124,196)
Cost of share based payments	-	-	82,921	82,921
BALANCE AS AT 30 JUNE 2005	18,724,760	(18,241,830)	171,720	654,650
BALANCE AS AT 1 JULY 2005	18,724,760	(18,241,830)	171,720	654,650
Loss for the period	-	(2,789,133)	-	(2,789,133)
Issue of new shares				
5,783,334 Shares placed on 15 July 2005 @ \$0.30 each	1,735,000	-	-	1,735,000
250,000 Employee options exercised on 10 August 2005 @ \$0.25 each	62,500	-	-	62,500
36,668 Employee options exercised on 1 December 2005 @ \$0.25 each	9,167	-	-	9,167
8,334 Employee options exercised on 2 March 2006 @ \$0.25 each	2,084	-	-	2,084
4,896,191 Shares placed on 23 March 2006 @ \$0.28 each	1,370,933	-	-	1,370,933
Capital Raising Expenses	(143,426)	-	-	(143,426)
Cost of share based payments	-	-	10,014	10,014
BALANCE AS AT 30 JUNE 2006	21,761,018	(21,030,963)	181,734	911,789

The above Statement of Changes In Equity should be read in conjunction with the attached notes.

Cash Flow Statement

ICSGLOBAL LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	NOTES	CONSOLIDATED		ICSGLOBAL LIMITED	
		2006	2005	2006	2005
		\$	\$	\$	\$
Cash flows from operating activities					
Receipts from customers (1)		813,235	480,020	91,328	-
Receipts from related entities		-	-	641,100	442,000
Payments to suppliers and employees (1)		(3,918,830)	(3,220,916)	(3,855,524)	(3,185,181)
Interest received		82,509	94,269	82,329	94,122
R & D income tax received		320,189	355,321	320,189	355,321
Net cash outflow from operating activities	15	(2,702,897)	(2,291,306)	(2,720,578)	(2,293,738)
Cash flows from investing activities					
Payment for property, plant and equipment		(25,285)	(28,398)	(25,285)	(28,398)
Net cash outflow from investing activities		(25,285)	(28,398)	(25,285)	(28,398)
Cash flows from financing activities					
Proceeds from issue of shares		3,179,684	2,282,666	3,179,684	2,282,666
Share issue costs		(143,426)	(124,196)	(143,426)	(124,196)
Net cash inflow from financing activities		3,036,258	2,158,470	3,036,258	2,158,470
Net increase / (decrease) in cash and cash equivalents		308,076	(161,234)	290,395	(163,666)
Cash and cash equivalents at beginning of the year	15	741,105	902,339	734,446	898,112
Cash and cash equivalents at the end of the year	15	1,049,181	741,105	1,024,841	734,446

(1) (Inclusive of GST)

The above Cash Flow Statement should be read in conjunction with the attached notes.

ICSGLOBAL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

Note 1 - Summary of Accounting Policies
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Financial Reporting Framework

This Financial Report covers ICSGlobal Limited as an individual entity and the consolidated entity consisting of ICSGlobal Limited and its subsidiaries. The Financial Report is presented in the Australian currency.

ICSGlobal Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations in the Directors' Report, both of which are not part of this Financial Report.

The Financial Report was authorised for issue by the directors on 7 September 2006. The company has the power to amend and reissue the Financial Report.

Through the use of the internet, the Group has ensured that all corporate reporting is timely, complete and available globally at minimum cost to the Group. All press releases, Financial Reports and other information are also available on the website at www.icsglobal.net

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

Basis of Preparation

The Financial Report is a general purpose Financial Report prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

Compliance with IFRS

Australian Accounting Standards include AIFRS. Compliance with AIFRS ensures that the Financial Report, comprising the Group's Financial Statements and notes, and the parent entities Financial Statements and notes complies with IFRS.

Application of AASB 1 First Time Adoption of Australian Equivalents to International Financial Reporting Standards

These Financial Statements are the first ICSGlobal Limited Financial Statements to be prepared in accordance with AIFRS. AASB 1 First time Adoption of Australian Equivalents to International Financial Reporting Standards has been applied in preparing these Financial Statements.

The Financial Statements of ICSGlobal Limited until 30 June 2005 had been prepared in accordance with previous Australian Generally Accepted Accounting Principals (AGAAP). AGAAP differs in certain respects to AIFRS. When preparing ICSGlobal Limited 2006 Financial Statements, management has amended certain accounting methods to comply with AIFRS. With the exception of financial instruments, the comparative figures in respect of 2005 were restated to reflect these adjustments.

Early Adoption of Standards

The Group has elected not to early adopt any accounting standards not mandatory for the year ended 30 June 2006. The impact of not adopting these standards is not material, and would impact disclosures only. In addition the Group has reviewed the proposed accounting standards and the impact of adoption is also not likely to be material.

Historical Cost Convention

These Financial Statements have been prepared under the historical cost convention.

ICSGlobal Limited
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

Principles of Consolidation

The consolidated Financial Statements incorporate the assets and liabilities of all subsidiaries of ICSGlobal Limited ("company" or "parent entity") as at 30 June 2006, and the results of all subsidiaries for the year then ended. ICSGlobal Limited and its subsidiaries together are referred to in this Financial Report as the Group or the consolidated entity.

Subsidiaries are those entities over which the parent entity has control. Control exists where ICSGlobal Limited has the capacity to dominate decision making in relation to the operating policies of another entity so that the other entity operates with ICSGlobal Limited to achieve the objectives of ICSGlobal Limited.

A list of controlled entities appears in Note 23 to the Financial Statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated Financial Statements.

The consolidated Financial Statements include the information and results of each controlled entity from the date on which the company obtains control and until such time as the Company ceases to control such entity. In preparing the consolidated Financial Statements, all intercompany balance and transactions, and unrealised profits arising within the consolidated entity have been eliminated in full.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised as follows:

a) THELMA Subscription Revenue

THELMA users are charged either an annual or monthly subscription fee. This fee is non refundable. Subscription fees are billed in accordance with the terms and conditions of the THELMA User Agreement signed by each customer. THELMA subscription fees are recognised as revenue when billed.

b) THELMA Transaction Revenue

THELMA transaction revenue is generated by customers using the THELMA service. Transaction fees are recognised as revenue in the month that the transaction occurs.

c) THELMA Implementation and Health Consulting Services

This work is generally performed on a time and materials basis and is therefore recognised as revenue in the month that the work is performed.

Where work is performed on a fixed price basis and the outcome of the contract to provide services can be estimated reliably, revenue is recognised when the contracted obligations of the company have been performed or by reference to the percentage of the services performed, which ever is appropriate to the particular type of contract.

d) International Revenue

Revenue from overseas customers is billed and receivable in Australian Dollars.

e) Interest Revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of an asset or as part of an item of the expense. Receivable and payables in the Balance Sheet are shown inclusive of GST.

Share Based Payments

The Group grants employee options to its employees as part of their remuneration packages. The ICSGlobal Employee Option Plan has been approved by shareholders. The Group values employee options

ICSGLOBAL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

at the date of grant using the Black Scholes methodology. This value is expensed in the Income Statement over the period that the options vest or are expected to vest based on the terms and conditions attached to the instruments as well as management's assumptions about probabilities of payments and compliance with, and attainment of the terms and conditions.

Income Tax

Deferred income tax is provided on all temporary differences at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts for Financial Reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

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

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- Except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Income Statement.

Financial Instruments

Purchases and sales of financial assets are accounted for at trade date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the Balance Sheet date which are classified as non-current assets.

Investments at fair value

Investments in term deposits are valued at fair value through profit and loss.

ICSGLOBAL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

Cash and Cash Equivalents

Cash and short-term deposits in the Balance Sheet comprise cash at bank, petty cash and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

Trade Receivables and Other Assets

Trade receivables generally have 14 to 30 day payment terms, and are recognised and carried at the original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Revenue from overseas customers is billed and receivable in Australian Dollars.

Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

The depreciable amount of all fixed assets is depreciated, using the straight-line method, over their useful lives to the Group commencing from the time the asset is held ready for use. The annual depreciation rates used for each class of assets are:

Class of Fixed Asset	Annual Depreciation Rate
Leasehold Improvements	33%
Computer Hardware and Software	27%
Furniture and Fittings	33%

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or Groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Income Statement in the period the item is derecognised.

Research and Development

Research and Development costs are expensed as incurred.

Accounts Payable

Accounts payable represent the principal amounts outstanding at balance date plus, where applicable, any accrued interest.

ICSGLOBAL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

Operating Leases

Operating lease payments are charged as an expense in the Income Statement on a basis which is representative of the pattern of benefits derived from the leased property. Operating lease incentives are expensed over the term of the lease.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Income Statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Employee Entitlements

The following liabilities arising in respect of employee entitlements are measured at their nominal amounts:

- Wages and salaries and annual leave, regardless whether they are expected to be settled within twelve months of balance date.
- Other employee entitlements, which are expected to be settled within twelve months of balance date.

All other employee entitlements, including long service leave, are measured at the present value of the estimated future cash outflows in respect of services provided up to balance date. Liabilities are determined after taking into consideration estimated future increase in wages and salaries and past experience regarding staff departures. Related on-costs are included in the calculation of the liability.

Contributed 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.

Earnings per share

Basic Earnings Per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, 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 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.

Critical Accounting Estimates and Judgements

No significant accounting estimates or judgements have been made that impact materially on the Financial Statements.

ICSGLOBAL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

Note 2 – Australian International Financial Reporting Standards (AIFRS)

Australian equivalents to International Financial Reporting Standards (AIFRS) have been adopted in this Financial Report for the year ending 30 June 2006 and the comparative information presented in this report for the year ending 30 June 2005. In preparation for the transition, opening balances as at 1 July 2004 for the comparative year ending 30 June 2005 have been converted to AIFRS in accordance with new accounting standard AASB 1 “First Time Adoption of Australian International Financial Reporting Pronouncements”.

Following is a reconciliation of the Financial Statement prepared using AIFRS to the results that would have been reported under Australian Generally Accepted Accounting Principals (AGAAP).

AIFRS Reconciliation to Australian Generally Accepted Accounting Principals (AGAAP)

	Consolidated			ICSGlobal Limited		
	2006	2005	2004	2006	2005	2004
Reconciliation of loss from ordinary activities after income tax						
Loss reported using AIFRS	(2,789,133)	(2,562,416)	(2,648,681)	(2,789,133)	(2,562,416)	(2,648,681)
Key adjustment:						
Recognition of employee options expense	10,014	82,921	88,799	10,014	82,921	88,799
Loss using AGAAP	(2,779,119)	(2,479,495)	(2,559,882)	(2,779,119)	(2,479,495)	(2,559,882)

An assesment of the impact of the transition to AIFRS is as follows:

Revenue Recognition

The introduction of this standard did not result in a change to the revenue of the Group.

Property, Plant & Equipment

The introduction of an impairment test did not have a significant impact on the Group. Assets were carried at cost prior to 1 July 2004. Therefore no adjustments to Property, Plant & Equipment balances were required a result of transition to AIFRS.

Research and Development

The introduction of this standard did not have a significant impact on the Group.

Share Based Payments

The Group currently engages in the practice of allocating to its employee’s options as part of their remuneration packages. AASB 2 “Share Based Payments” required that these payments be measured. The Group now values employee options at the date of grant using the Black Scholes methodology. These amounts have been expensed in the Income Statement. Where the date of grant and the vesting date are different, the total expenditure has been allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management’s assumptions about probabilities of payments and compliance with attainment of the set out terms and conditions. Only options issued under the plan subsequent to 7 November 2002 have been expensed.

ICSGLOBAL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

Income Tax

Potential future income tax benefits attributable to tax losses have not been brought to account, because the directors do not believe it is appropriate to regard the realisation of the future income tax benefit as probable. The introduction AIFRS did not have a significant impact on this treatment.

Note 3 - Events Subsequent to Reporting Date

Subsequent to year end, the following significant event has occurred:

- On 20 July 2006, ICSGlobal lodged with ASIC and the ASX a prospectus for a non renounceable rights issue of one new share for every seven shares held, at the price of 25 cents per share. On 28 August 2006, ICSGlobal announced that 8,150,000 new shares had been issued as a result of the rights issue, raising approximately \$1.8 million after costs.
- On 16 August 2006, the Company announced that Florida based Automated Decision System Response Corp (ADSR) and ICSGlobal Limited have agreed to jointly produce a prototype of adding THELMA's real time eligibility service with ADSR's existing Healthcare Revenue Cycle Platform service to provide US healthcare providers with a turn-key patient verification and public assistance entitlement assessment solution.

Note 4 - Revenues from Continuing Operations

	Consolidated		ICSGlobal Limited	
	2006	2005	2006	2005
	\$	\$	\$	\$
Revenue:				
Transaction revenue from external parties	306,786	211,759	-	-
Hospital and fund annual and other fees from external parties	318,066	163,769	-	-
Transaction fees, hospital and fund annual fees and other fees from Thelma Pty Ltd	-	-	674,981	503,119
Other consulting revenue	125,039	136,838	74,313	8,713
	-----	-----	-----	-----
	749,891	512,366	749,294	511,832
	=====	=====	=====	=====
Non-operating revenue:				
Interest – other	82,509	94,269	82,329	94,122
	-----	-----	-----	-----
Total revenue	832,400	606,635	831,623	605,954
	=====	=====	=====	=====

ICSGLOBAL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

Note 5 - Expenses from Continuing Operations

	Consolidated		ICSGlobal Limited	
	2006	2005	2006	2005
	\$	\$	\$	\$
Significant expense categories:				
Research and development (2006 subject to finalisation)	905,250	853,836	905,250	853,836
Lease rental expense – minimum lease payments	252,105	223,228	252,105	223,228
Depreciation of computer equipment	118,772	132,278	118,772	132,278

ICSGlobal Limited
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

Note 6 - Income Tax

	Consolidated		ICSGlobal Limited	
	2006	2005	2006	2005
	\$	\$	\$	\$
Income tax benefit				
Current tax	320,189	355,321	320,189	355,321
Numerical reconciliation of income tax expense to prima facie tax payable.				
Loss from continuing operations	(3,109,322)	(2,917,737)	(3,109,322)	(2,917,737)
	-----	-----	-----	-----
Tax at the Australian tax rate of 30% (2005 – 30%)	(932,797)	(875,321)	(932,797)	(875,321)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Share Issue expenses	24,308	-	24,308	-
Entertainment	1,301	1,339	1,301	1,339
Legal Fees	4,586	3,892	4,586	3,892
R & D claimed	243,344	284,257	243,344	284,257
Current year losses not recognised	659,258	585,833	659,258	585,833
	-----	-----	-----	-----
Income Tax Attributable To Operating Profit	-	-	-	-
	=====	=====	=====	=====
Income Tax Revenue From R & D Claim	320,189	355,321	320,189	355,321
	=====	=====	=====	=====

Potential future income tax benefits attributable to tax losses carried forward amounting to \$5,464,753, calculated at a tax rate of 30%, (2005: \$4,806,532 at 30%) have not been brought to account because the directors do not believe it is appropriate to regard realisation of the future income tax benefit as probable. These benefits will only be obtained if:

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

The balance of the franking account as at 30 June 2006 was as a credit of \$79,407 (2005: \$79,407).

ICSGLOBAL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

Note 7 – Trade And Other Receivables

	Consolidated		ICSGlobal Limited	
	2006	2005	2006	2005
	\$	\$	\$	\$
CURRENT				
Trade accounts receivable	132,741	121,085	-	9,584
Less Provision for doubtful debts	-	-	-	-
	-----	-----	-----	-----
	132,741	121,085	-	9,584
Prepayments	49,884	75,315	49,884	75,315
Receivable from THELMA Pty Ltd	-	-	140,388	106,507
GST Refund	3,537	24,487	20,130	36,040
Total Trade and Other Receivables – Current	186,162	220,887	210,402	227,446
	=====	=====	=====	=====

The Group has not recognised any losses in respect of bad and doubtful trade receivables during the year ended 30 June 2006 nor for the year ended 30 June 2005.

ICSGLOBAL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

Note 8 – Other Financial Assets

	Consolidated		ICSGlobal Limited	
	2006	2005	2006	2005
	\$	\$	\$	\$
NON CURRENT				
Investment in Subsidiary – at cost	-	-	100	100
	-----	-----	-----	-----
Total other Financial Assets	-	-	100	100
	=====	=====	=====	=====

Note 9 – Investments at Fair Value

	Consolidated		ICSGlobal Limited	
	2006	2005	2006	2005
	\$	\$	\$	\$
NON CURRENT				
Term deposit*	140,805	116,602	140,805	116,602
	-----	-----	-----	-----
Total Held to Maturity Investments – Non Current	140,805	116,602	140,805	116,602
	=====	=====	=====	=====

*This term deposit is a standard commercial guarantee relating to the lease of the premises used as the principal place of business and registered office of the Group. The term deposit is measured at fair value.

ICSGLOBAL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

Note 10 - Property, Plant and Equipment
--

	Consolidated		ICSGlobal Limited	
	2006	2005	2006	2005
	\$	\$	\$	\$
NON CURRENT				
Leasehold improvements				
At cost	250,055	250,055	250,055	250,055
Accumulated depreciation	(250,055)	(250,055)	(250,055)	(250,055)
	-----	-----	-----	-----
	-	-	-	-
	-----	-----	-----	-----
Office Furniture & Equipment				
At cost	134,416	134,416	134,416	134,416
Accumulated depreciation	(124,415)	(124,415)	(124,415)	(124,415)
	-----	-----	-----	-----
	10,001	10,001	10,001	10,001
	-----	-----	-----	-----
Computer Equipment				
At cost	779,569	842,599	779,569	842,599
Accumulated depreciation	(704,523)	(674,066)	(704,523)	(674,066)
	-----	-----	-----	-----
	75,046	168,533	75,046	168,533
	-----	-----	-----	-----
	-----	-----	-----	-----
Net Book Value of Property, Plant & Equipment	85,047	178,534	85,047	178,534
	=====	=====	=====	=====

ICSGLOBAL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

Group and Parent Entity: 2006	Leasehold Improvements	Office Furniture and Equipment	Computer Equipment	Total
	\$	\$	\$	\$
Balance at the beginning of year	-	10,001	168,533	178,534
Additions	-	-	25,285	25,285
Disposals (Net Book Value) *	-	-	-	-
Depreciation expense	-	-	(118,772)	(118,772)
	-----	-----	-----	-----
Carrying Amount At The End Of Year	-	10,001	75,046	85,047
	=====	=====	=====	=====

* All Assets disposed during the year had a net book value of nil.

Note 11 – Trade and Other Payables

	Consolidated		ICSGlobal Limited	
	2006	2005	2006	2005
	\$	\$	\$	\$
CURRENT				
Trade creditors	107,228	229,484	107,228	229,484
Sundry creditors and accruals	60,823	71,835	60,823	71,835
	-----	-----	-----	-----
Total Trade and Other Payables – Current	168,051	301,319	168,051	301,319
	=====	=====	=====	=====
NON CURRENT				
Sundry creditors and accruals	12,964	25,929	12,964	25,929
	-----	-----	-----	-----
Total Trade and Other Payables – Non Current	12,964	25,929	12,964	25,929
	=====	=====	=====	=====

ICSGLOBAL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

Note 12 - Provisions

	Consolidated		ICSGlobal Limited	
	2006	2005	2006	2005
	\$	\$	\$	\$
CURRENT				
Employee annual leave entitlements	128,309	126,256	128,309	126,256
	-----	-----	-----	-----
Total Provisions – Current	128,309	126,256	128,309	126,256
	=====	=====	=====	=====
NON CURRENT				
Employee long service leave entitlements	139,938	48,830	139,938	48,830
Directors retirement benefits (a)	100,144	100,144	100,144	100,144
	-----	-----	-----	-----
Total Provisions – Non Current	240,082	148,974	240,082	148,974
	=====	=====	=====	=====

(a) Directors retirement benefits

In July 2003, the directors made a decision to discontinue the non-executive directors retirement benefits scheme. Accordingly, no benefits have been accrued since 30 June 2003. Amounts accrued under the scheme prior to 30 June 2003 will be paid to the respective non-executive director upon their retirement.

Note 13 – Commitments and Contingencies

Operating Leases

The Group has two operating leases, which have not been capitalised in the Financial Statements.

Details of the operating leases are as follows:

Lease	Cancellable	Term	Payments In Advance	Option To Renew	Allow For Sub-Letting
Registered Office	No	30 June 2008	Yes	No	Yes
Data Centre Hosting	No	3 August 2006	No	Yes	No

The lease over the Registered Office includes the potential for make good to be carried out at the expiration of the lease term. The directors are unable to quantify the value of any potential payments, however these are unlikely to be material.

A standard commercial guarantee relating to the lease of the premises exists. As at 30 June 2006 the fair value of the guarantee was \$140,805. (2005 \$116,602).

ICSGLOBAL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	Consolidated		ICSGlobal Limited	
	2006	2005	2006	2005
	\$	\$	\$	\$
Payable:				
Not later than 1 year	277,983	288,852	277,983	288,852
Later than 1 year but not later than 5 years	283,879	553,134	283,879	553,134
	-----	-----	-----	-----
Total Operating Lease Commitments	561,862	841,986	561,862	841,986
	=====	=====	=====	=====

Note 14 – Financial Instruments and Financial Risk Management
--

Interest Rate Risk

Exposure to Interest Rate risks or financial rate risks on financial assets and liabilities of the Group (ie consolidated entity) are summarised as follows:

Group	Non Interest Bearing	Floating Interest Rate	Total
	2006	2006	2006
	\$	\$	\$
Financial Assets			
Cash	-	1,049,181	1,049,181
Term deposit	-	140,805	140,805
Receivables	132,741	-	132,741
Other assets	53,421	-	53,421
	-----	-----	-----
Total Financial Assets	186,162	1,189,986	1,376,148
	=====	=====	=====
Financial Liabilities			
Accounts payable	168,051	-	168,051
	-----	-----	-----
Total Financial Liabilities	168,051	-	168,051
	=====	=====	=====
Weighted Average Interest Rate	N/A	5.6%	

ICSGLOBAL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

Group	Non Interest Bearing	Floating Interest Rate	Total
	2005	2005	2005
	\$	\$	\$
Financial Assets			
Cash	-	741,105	741,105
Term deposit	-	116,602	116,602
Receivables	121,085	-	121,085
Other assets	99,802	-	99,802
	-----	-----	-----
Total Financial Assets	220,887	857,707	1,078,594
	=====	=====	=====
Financial Liabilities			
Accounts payable	301,319	-	301,319
	-----	-----	-----
Total Financial Liabilities	301,319	-	301,319
	=====	=====	=====
Weighted Average Interest Rate	N/A	5.3%	

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions, as disclosed in the Balance Sheet and Notes to the Financial Statements. The Group does not have any material credit risk exposure to any single debtor or Group of debtors under financial instruments entered into by the Group. Revenue from overseas customers is billed and receivable in Australian Dollars.

ICSGLOBAL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 15 – Reconciliation of Cash Flows

Reconciliation of Cash

For the purposes of the Cash Flow Statement, cash includes cash on hand and in banks and investments in money market instruments with terms of three months or less. Cash at the end of the year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	Consolidated		ICSGlobal Limited	
	2006	2005	2006	2005
	\$	\$	\$	\$
Cash and cash equivalents	1,049,181	741,105	1,024,841	734,446
	=====	=====	=====	=====

Reconciliation Of Net Cash Provided By/(Used In) Operating Activities To Operating Loss After Income Tax

	Consolidated		ICSGlobal Limited	
	2006	2005	2006	2005
	\$	\$	\$	\$
Operating profit/loss after income tax	(2,789,133)	(2,562,416)	(2,789,133)	(2,562,416)
Depreciation	118,772	132,278	118,772	132,278
(Increase)/Decrease in trade debtors	(11,656)	(73,870)	9,584	(9,584)
(Increase)/Decrease in other financial assets	(24,203)	-	(24,203)	-
(Increase)/Decrease in GST refund	20,950	(7,953)	(17,971)	(80,625)
(Increase)/Decrease in prepayments	25,431	(25,181)	25,431	(25,181)
Increase/(Decrease) in accounts payable	(146,233)	121,705	(146,233)	127,659
Increase/(Decrease) in employee entitlements	93,161	41,210	93,161	41,210
Increase/(Decrease) in employee options expense	10,014	82,921	10,014	82,921
	=====	=====	=====	=====
Net Cash Provided By/(Used) In Operating Activities	(2,702,897)	(2,291,306)	(2,720,578)	(2,293,738)
	=====	=====	=====	=====

ICSGLOBAL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

Note 16 - Contributed Equity and Reserves

	Consolidated		ICSGlobal Limited	
	2006	2005	2006	2005
			\$	\$
Share Capital: Ordinary Shares fully paid	21,761,018	18,724,760	21,761,018	18,724,760
	=====	=====	=====	=====

Group	Number of Shares	Number of Shares	\$	\$
	2006	2005	2006	2005
Ordinary Shares at beginning of the financial year	77,533,178	70,387,362		
Opening Capital			18,724,760	16,566,290
Shares issued during the year / Proceeds of Capital Raising:				
Shares placed on 19 August 2004 @ \$0.33 each		6,515,150		2,150,000
Options exercised on 22 October 2004 @ \$0.20 each		500,000		100,000
Employee options exercised on 8 December 2004 @ \$0.25 each		95,666		23,916
Employee options exercised on 22 March 2005 @ \$0.25 each		35,000		8,750
Shares placed on 15 July 2005 @ \$0.30 each	5,783,334		1,735,000	
Employee options exercised on 10 August 2005 @ \$0.25 each	250,000		62,500	
Employee options exercised on 1 December 2005 @ \$0.25 each	36,668		9,167	
Employee options exercised on 2 March 2006 @ \$0.25 each	8,334		2,084	
Shares placed on 23 March 2006 @ \$0.28 each	4,896,191		1,370,933	
Capital Raising Expenses			(143,426)	(124,196)
	-----	-----	-----	-----
Total Shares On Issue / Closing Balance	88,507,705	77,533,178	21,761,018	18,724,760
	=====	=====	=====	=====

The movement schedule for the parent entity is identical to the movement schedule for the Group.

ICSGLOBAL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	Consolidated		ICSGlobal Limited	
	2006	2005	2006	2005
Employee Option Expense Reserve				
	\$	\$	\$	\$
Balance 1 July	171,720	88,799	171,720	88,799
Option expense	10,014	82,921	10,014	82,921
	-----	-----	-----	-----
Balance 30 June	181,734	171,720	181,734	171,720
	=====	=====	=====	=====

The employee options expense reserve is used to recognise the fair value of options issued but not exercised.

	Consolidated		ICSGlobal Limited	
	2006	2005	2006	2005
Accumulated Losses				
	\$	\$	\$	\$
Balance 1 July	(18,241,830)	(15,679,414)	(18,241,830)	(15,679,414)
Loss for the year	(2,789,133)	(2,562,416)	(2,789,133)	(2,562,416)
	-----	-----	-----	-----
Balance 30 June	(21,030,963)	(18,241,830)	(21,030,963)	(18,241,830)
	=====	=====	=====	=====

ICSGLOBAL LIMITED
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FOR THE YEAR ENDED 30 JUNE 2006

Note 17 - Earnings Per Share

	Consolidated		ICSGlobal Limited	
	2006	2005	2006	2005
	\$	\$	\$	\$
Basic earnings per share	(3.3) cents	(3.4) cents	(3.3) cents	(3.4) cents
Diluted earnings per share	(2.8) cents	(2.9) cents	(2.8) cents	(2.9) cents
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	84,682,770	76,341,148	84,682,770	76,341,148
Add:				
Employee Options	3,606,668	2,876,671	3,606,668	2,876,671
Other Options	10,027,724	9,027,724	10,027,724	9,027,724
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted earnings per share	98,317,162	88,245,543	98,317,162	88,245,543
Loss used to calculate basic EPS & fully diluted EPS (from continuing operations)	(2,789,133)	(2,562,416)	(2,789,133)	(2,562,416)

All options granted have been included in the calculation of diluted earnings per share.

Note 18 – Auditor’s Remuneration

	Consolidated		ICSGlobal Limited	
	2006	2005	2006	2005
	\$	\$	\$	\$
The Auditor’s provided the following services to the Group:				
Audit and review of Financial Reports	26,000	25,870	26,000	25,870
Tax returns – assistance	5,940	5,350	5,940	5,350
Tax advice	1,040	5,830	1,040	5,830
Audit of issuer sponsored share register	-	925	-	925
R & D tax concession offset claim - assistance	25,000	22,000	25,000	22,000
	-----	-----	-----	-----
Total Remuneration of Audit Firm	57,980	59,975	57,980	59,975
	=====	=====	=====	=====

It is the Group’s policy to employ PKF for assignments additional to their annual audit duties, when PKF’s expertise and experience with the Group are important. These assignments are principally tax compliance assignments and the board of directors is satisfied that the auditor’s independence is not compromised as a result of these non-audit services performed.

ICSGlobal LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

Note 19 – Share Based Payments

The object of the ICSGlobal Employee Option Plan is to provide employees of ICSGlobal with the opportunity to acquire an ownership interest in ICSGlobal by way of options to acquire unissued ordinary shares in ICSGlobal. The ICSGlobal Employee Option Plan is to be administered by the board of directors (although the directors may delegate these functions and powers) in accordance with the Rules of the ICSGlobal Employee Option Plan ('**Plan Rules**')

Each option issued under the ICSGlobal Employee Option Plan confers an entitlement to subscribe for and be issued one ordinary share in the capital of ICSGlobal.

Under the Plan Rules, the directors determine the identity of employee to be granted options, the number, exercise price and any other terms relating to the options which are fair and reasonable (but not inconsistent with the Plan Rules). No amount is payable on the grant of an option to an eligible employee. The consideration given by an eligible employee for a grant of options will be the services to be provided by the employee to ICSGlobal.

No option may be issued under the Plan Rules if:

- Immediately after such issue, the employee would own (legally or beneficially) or control the exercise or voting power attached to more than 5% of all ICSGlobal's ordinary shares then on issue;
- To do so would contravene the Constitution, the Corporations Act, 2001, the Listing Rules or any other applicable law of a jurisdiction in which ICSGlobal is registered or incorporated or, with respect to a participating employee, any other applicable law of the jurisdiction in which that employee resides.

Unless determined otherwise by the directors and notified to the shareholders of ICSGlobal, the directors may not issue options under the Plan Rules if the number of options on issue, which are capable of exercise under the Plan Rules, represent, at any one time, more than 10% of the total number of ICSGlobal's ordinary shares then on issue.

Subject to the Listing Rules, the board of directors may amend the ICSGlobal Employee Option Plan at any time.

In respect of ordinary shares to which an option relates, option holders may not participate in a new issue of securities to holders of ordinary shares, bonus issues of ordinary shares (or other securities to existing shareholders) or any issue by ICSGlobal of ordinary shares pro rata to existing shareholders unless the relevant option has been exercised and ordinary shares issued to the employee before the record date for determining entitlements to the issue.

If there is a reconstruction of the issued shares in ICSGlobal, the number of options to which a participating employee is entitled will be reconstructed as required by the Listing Rules in a manner which will not result in any benefits being conferred on the employee which are not conferred on shareholders. If a takeover bid is made to acquire some or all of the issued shares in ICSGlobal or a Court sanctioned compromise or arrangement is made which, if implemented, would result in a change in the legal or beneficial interest of 50% or more of the issued shares in ICSGlobal or would result in 50% or more of the issued shares in ICSGlobal being controlled by one entity, participating employees may either exercise their options or must exercise their options, as set out in a change of control notice to be issued by the board of directors.

Shares allotted under the ICSGlobal Employee Option Plan will rank equally with all other issued ordinary shares in ICSGlobal, subject to the Plan Rules. ICSGlobal Limited will not seek quotation on the ASX of any options issued under the ICSGlobal Employee Option Plan.

ICSGlobal will meet all expenses of the ICSGlobal Employee Option Plan (except any tax liability payable in connection with the issue and allotment of shares pursuant to an exercise of an option by a participating employee or any other dealings with the options or shares). The ICSGlobal Employee Option Plan may be terminated or suspended by the board of directors at any time provided such action does not affect or prejudice the rights of participating employees.

ICSGLOBAL LIMITED
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Options granted to staff generally fall into the following three categories:

Type 1:

- Options granted that are exercisable 12 months from the date of grant in respect of 1/3 of options granted, 24 months from date of grant in respect of 1/3 of options granted and 36 months from the date of grant in respect of 1/3 of options granted. Options expire 5 years from the date of grant. All staff are allocated this type of option. The number of options granted to each staff members and the exercise price varies.

Type 2:

- Options with an exercise price of twenty five cents will be granted upon the achievement of two revenue based performance milestones. These options have been granted to key staff. The number granted to each staff members varies.

Type 3:

- Options with an exercise price of ten cents granted to key staff, which vest upon the Group being cashflow positive for a quarter.

Movement in Number of Issued Employee Options

	Consolidated		ICSGlobal Limited	
	2006	2005	2006	2005
Opening Balance – Number of Options	2,876,671	2,942,337	2,876,671	2,942,337
Number of Options Issued	2,000,000	1,415,000	2,000,000	1,415,000
Number of Options Exercised	(295,002)	(130,666)	(295,002)	(130,666)
Number of Options Cancelled or Lapsed	(975,002)	(1,350,000)	(975,002)	(1,350,000)
	-----	-----	-----	-----
Closing Balance – Number of Options	3,606,667	2,876,671	3,606,667	2,876,671
	=====	=====	=====	=====

ICSGLOBAL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Grant Date	Expiry Date	Exercise Price	Balance at Start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at end of the year	Exercisable at end of the year
Consolidated and parent entity 2006								
Dates between 24/01/2002 and 23/10/2003	Dates between 23/01/2007 and 22/10/2008	\$0.10	725,000	-	-	(100,000)	625,000	-
Dates between 30/11/2001 and 1/03/2005	Dates between 29/11/2006 and 28/02/2010	\$0.25	1,201,671	-	(295,002)	(425,002)	481,667	216,666
Dates between 01/12/2004 and 22/05/2006	Dates between 30/11/2009 and 23/05/2011	\$0.50	950,000	2,000,000	-	(450,000)	2,500,000	258,333
			-----	-----	-----	-----	-----	-----
Total			2,876,671	2,000,000	(295,002)	(975,002)	3,606,667	474,999
			=====	=====	=====	=====	=====	=====
Weighted average exercise price			\$0.29	\$0.50	\$0.25	\$0.35	\$0.40	\$0.39
Consolidated and parent entity 2005								
Dates between 24/01/2002 and 23/10/2003	Dates between 23/01/2007 and 22/10/2008	\$0.10	775,000	-	-	(50,000)	725,000	-
Dates between 23/12/1999 and 1/03/2005	Dates between 22/12/2004 and 28/02/2010	\$0.25	1,142,337	190,000	(130,666)	-	1,201,671	870,003
Dates between 01/12/2004 and 1/03/2005	Dates between 30/11/2009 and 28/02/2010	\$0.50	-	1,225,000	-	(275,000)	950,000	-
Dates between 23/12/1999 and 23/03/2003	Dates between 22/12/2004 and 22/03/2008	\$1.00	1,025,000	-	-	(1,025,000)	-	-
			-----	-----	-----	-----	-----	-----
Total			2,942,337	1,415,000	(130,666)	(1,350,000)	2,876,671	870,003
			=====	=====	=====	=====	=====	=====
Weighted average exercise price			\$0.47	\$0.47	\$0.25	\$0.87	\$0.30	\$0.25

ICSGLOBAL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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The weighted average share price at the date of exercise of options exercised regularly during the year ended 30 June 2006 was \$0.33 (2005 - \$0.41).

The weighted average remaining contractual life of share options outstanding at the end of the period was 3.2 years (2005 – 3.8 years).

Note 20 – Key Management Personnel Disclosures

Key Management Personnel

Directors

The following persons were directors of ICSGlobal Limited during the financial year:

Mr Dean A. Pritchard - Chairman and non-executive director

Mr Timothy J. Murray - Managing Director

Mr Geoffrey E. Lambert - Non executive director

Other Key Management Personnel

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

- Mr Lindsay Martin – Chief Financial Officer
- Mr Tom Walther – Company Secretary
- Ms Wendy Larson – Strategic Integration Director
- Mr Michael Ford – Development Manager (Resigned 18 August 2006)
- Mr Lee Hamilton – Infrastructure Manager (Resigned 21 August 2006)
- Ms Helen Sloan – Implementation Director (Resigned 25 January 2006)

All of the above persons were also key management persons during the year ended 30 June 2005, except Lee Hamilton who commenced employment with the Group on 14 June 2005. All key management persons are employed by ICSGlobal Limited.

Key Management Personnel Compensation

	Consolidated		ICSGlobal Limited	
	2006	2005	2006	2005
	\$	\$	\$	\$
Short-term employee benefits	707,910	678,185	707,910	678,185
Post-employment benefits	98,871	63,157	98,871	63,157
Share-based payments	42,293	81,026	42,293	81,026
	-----	-----	-----	-----
	849,074	822,368	849,074	822,368
	=====	=====	=====	=====

The Group has taken advantage of the relief provided by ASIC Class Order 06/50 and has transferred the detailed remuneration disclosures to the Directors' Report. The relevant information can be found in the Remuneration Report.

ICSGLOBAL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Option Holdings

The number of options over ordinary shares in the Group held during the financial year by each director of ICSGlobal Limited and other key management personnel of the Group are set out below.

	Balance 01/07/05	Granted in 2005/06	Options Exercised in 2005/06	Options that Expired in 2005/06	Balance as at 30/06/06	Total Exer- cisable as at 30/06/06	Total Unexer- cisable as at 30/06/06
DIRECTORS							
D. Pritchard	100,000	-	-	-	100,000	100,000	-
T. Murray	-	1,000,000	-	-	1,000,000	-	1,000,000
G. Lambert	100,000	-	-	-	100,000	100,000	-
	-----	-----	-----	-----	-----	-----	-----
TOTAL	200,000	1,000,000	-	-	1,200,000	200,000	1,000,000
	=====	=====	=====	=====	=====	=====	=====
KEY MANAGEMENT PERSONNEL							
L. Martin	525,000	250,000	(250,000)	-	525,000	16,667	508,333
W. Larson	275,000	250,000	(8,333)	-	516,667	8,334	508,333
M. Ford	251,668	100,000	(11,668)	-	340,000	38,334	301,666
L. Hamilton	100,000	100,000	-	-	200,000	33,333	166,667
T. Walther	150,000	75,000	-	-	225,000	33,333	191,667
	-----	-----	-----	-----	-----	-----	-----
TOTAL	1,301,668	775,000	(270,001)	-	1,806,667	130,001	1,676,666
	=====	=====	=====	=====	=====	=====	=====

ICSGLOBAL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

2005	Balance 01/07/04	Granted in 2004/05	Options Exercised in 2004/05	Options that Expired in 2004/05	Balance as at 30/06/05	Total Exer- cisable as at 30/06/05	Total Unexer- cisable as at 30/06/05
DIRECTORS							
Mr D. Pritchard	250,000	-	-	(150,000)	100,000	100,000	-
Mr T. Murray	-	-	-	-	-	-	-
Mr G. Lambert	200,000	-	-	(100,000)	100,000	100,000	-
	-----	-----	-----	-----	-----	-----	-----
TOTAL	450,000	-	-	(250,000)	200,000	200,000	-
	=====	=====	=====	=====	=====	=====	=====
KEY MANAGEMENT PERSONNEL							
Mr L. Martin	525,000	-	-	-	525,000	275,000	250,000
Ms W. Larson	275,000	-	-	-	275,000	25,000	250,000
Ms H. Sloan	275,000	-	-	-	275,000	-	275,000
Mr M. Ford	76,668	175,000	-	-	76,668	76,668	175,000
Mr T. Walther	50,000	100,000	-	-	50,000	-	150,000
	-----	-----	-----	-----	-----	-----	-----
TOTAL	1,201,668	275,000	-	-	1,476,668	376,668	1,100,000
	=====	=====	=====	=====	=====	=====	=====

Note 21 – Related Party Transactions

The ultimate parent entity within the Group is ICSGlobal Limited.

Interests in subsidiaries are set out in Note 23.

	Consolidated		ICSGlobal Limited	
	2006	2005	2006	2005
Transactions with related parties	\$	\$	\$	\$
Transaction fees, annual fees and other fees from Thelma Pty Ltd	-	-	674,981	503,119
Thelma Pty Ltd loan account balance	-	-	140,388	106,507

ICSGLOBAL LIMITED
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FOR THE YEAR ENDED 30 JUNE 2006

Note 22 – Segment Information

ICSGlobal's core business is the ownership and operation of THELMA and the provision of related services to the health industry from Australia.

Note 23 – Controlled Entities

Name of Entity	Country of Incorporation	Ownership Interest		Class of Shares
		2006	2005	
Parent Company: ICSGlobal Limited	Australia			
Controlled Entity: Thelma Pty Ltd	Australia	100 %	100 %	Ordinary
Controlled Entity: EziBill Pty Ltd	Australia	100 %	100 %	Ordinary

Note 24 – Company Details

Registered Office and Principal Place of Business

Level 26, 201 Kent Street, Sydney NSW 2000

Number of Employees

	Consolidated		ICSGlobal Limited	
	2006	2005	2006	2005
Number of employees as at 30 June	20	18	20	18
	=====	=====	=====	=====

Directors' Declaration

In the opinion of the directors of ICSGlobal Limited:

- (a) The accompanying financial statements and notes are in accordance with the Corporations Act, 2001, comply with the accounting standards and give a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2006 and of their performance for the year ended on that date.
- (b) At the date of this declaration there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) The directors have been given the declarations by the chief executive officer and chief financial officer required by Section 295A.

Signed in accordance with a resolution of the directors.

A handwritten signature in black ink that reads "Dean Pritchard". The signature is written in a cursive, flowing style.

Dean Pritchard
Chairman

Dated this 11th day of September 2006

INDEPENDENT AUDIT REPORT TO MEMBERS OF ICSGLOBAL LIMITED

Scope

The financial report, remuneration disclosures and directors' responsibility

The financial report comprises the balance sheet, income statement, statement of changes in equity, cash flow statement, notes to the financial statements and the directors' declaration for both ICSGlobal Limited (the company) and ICSGlobal Limited (the consolidated entity), for the year ended 30 June 2006. The consolidated entity comprises both the company and the entities it controlled during that year.

The company has disclosed information about the remuneration of key management personnel ("remuneration disclosures"), as required by Accounting Standard AASB 124 Related Party Disclosures under the heading "remuneration report" on pages 5 to 10 of the directors' report, as permitted by the Corporations Regulations 2001.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The directors are also responsible for the remuneration disclosures contained in the directors' report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement and the remuneration disclosures comply with Accounting Standard AASB 124 and the Corporations Regulations 2001. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows and whether the remuneration disclosures comply with Accounting Standard AASB 124 and the Corporations Regulations 2001.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report and remuneration disclosures, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

Independence

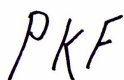
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

The auditor's independence declaration given to the relevant directors would be in the same terms if it had been given at the time the audit report was made.

Audit opinion

In our opinion:

- (1) the financial report of ICSGlobal Limited is in accordance with:
 - (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2006 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
 - (b) other mandatory financial reporting requirements in Australia; and
- (2) the remuneration disclosures that are contained on pages 5 to 10 of the remuneration report in the director report, comply with Accounting Standard AASB 124 and the Corporations Regulations 2001.



PKF



Arthur Milner
Partner

Sydney
11 September 2006