

# Appendix 4E (Rule 4.3A)

## Preliminary Final Report

<b>Name of Entity</b>	ICSGLOBAL LIMITED
<b>ABN</b>	72 073 695 584
<b>Financial Year Ended</b>	30 June 2007
<b>Previous Corresponding Reporting Period</b>	Year ended 30 June 2006

### Results for announcement to the market

	\$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	1,021	22.7%
Profit / (loss) from ordinary activities after tax attributable to members	(2,575)	(7.7%)
Net profit / (loss) for the period attributable to members	(2,575)	(7.7%)
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>		

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## 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	3.12 cents	1.03 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:

	<b>Consolidated</b>	
	<b>2007</b>	<b>2006</b>
• Basic earnings per share	(2.7) cents	(3.3) cents
• Diluted earnings per share is not materially different from basic earnings per share	(2.7) cents	(3.3) cents
• Weighted average number of ordinary shares Outstanding during the year used in the calculation of basic earnings per share	96,058,765	84,682,770
• Earnings used to calculate earnings per share	(2,574,724)	(2,789,133)

Returns to shareholders including distributions and buy backs:

- Not applicable

Significant features of operating performance:

- Refer to Directors Report


<p>The results of segments that are significant to an understanding of the business as a whole:</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>
<p>Discussion of trends in performance:</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>
<p>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:</p> <ul style="list-style-type: none"> <li>▪ No factors noted.</li> </ul>

**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	
<p>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:</p> <ul style="list-style-type: none"> <li>• Not applicable</li> </ul>			
<p>If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:</p> <ul style="list-style-type: none"> <li>• Not applicable</li> </ul>			

**Attachments Forming Part of Appendix 4E**

Attachment #	Details
1	Financial Statements
2	Auditors Report

<p><b>Signed By (Director/Company Secretary)</b></p> <div style="text-align: center; margin-top: 20px;">  </div>	
<p><b>Print Name:</b> Timothy Murray</p>	
<p><b>Date:</b> 30 August 2007</p>	

**ICSGlobal Limited**  
**A.B.N. 72 073 695 584**

**FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2007**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

	<b>Page</b>
Directors' Report	2
Income Statement	16
Balance Sheet	17
Statement of Changes In Equity	18
Cash Flow Statement	19
Notes To And Forming Part Of The Financial Statements	20 – 50
Directors' Declaration	51
Independent Audit Report	52 – 53

## **DIRECTORS' REPORT**

Your directors present their report on ICSGlobal Limited and its Controlled Entities (collectively "the Group") for the financial year ended 30 June 2007.

## **DIRECTORS**

The names of the directors in office at any time from the start of the 2007 financial year to the date of this report are:

- Mr Timothy J. Murray
- Mr Geoffrey E. Lambert
- Mr Ross M. Bunyon was appointed a director on 30 January 2007 and Chairman on 8 June 2007, he continues in office at the date of this report.
- Mr Dean A. Pritchard was Chairman from the beginning of the financial year until his resignation on 8 June 2007.

## **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 financial year.

## **RESULTS OF OPERATIONS**

The consolidated loss for the financial year, after income tax, amounted to \$2,574,724 (2006: \$2,789,133).

## **REVIEW OF OPERATIONS**

The US and UK initiatives announced during the year mark the most significant milestone in the company's history. We have now implemented a truly global strategy for THELMA which is the culmination of more than three years of industry analysis and relationship and brand building within these two major healthcare systems.

Domestically, the Australian market has also undergone a significant and positive transition for ICSGlobal in the last 12 months, with large tracts of the industry now in a "THELMA-ready" state.

Overall, ICSGlobal finished the year in the best shape ever in terms of major business opportunities, the THELMA application and infrastructure, our exceptional team of people, our reputation for delivery, and the global brand that THELMA has become.

### *Progress in Australia*

- During the year, hospital transaction volumes grew by approximately 80%. THELMA has connectivity to hospital software systems that account for more than 90% of the private market.
- Eight medical software vendors selected THELMA for connecting their products to Medicare and the private health funds for delivery of electronic medical claims. This brings to more than 60% the number of Australian medical specialists connected to THELMA. These are at varying stages of implementation. Good progress was made up-selling medical claims to our existing hospital customer base, particularly public hospitals.
- Following the success of the initial hospital claim transaction, ICSGlobal and Health Communication Network Limited ('HCN') have extended the Electronic Transaction Services Agreement that was signed in June 2006 to include delivery of inpatient medical claims from HCN's customer base to Medicare and the health insurance funds.
- Symbion Health, which accounts for approximately 35% of the Australian pathology market, went live late in the year for private health pathology claims via THELMA to Medicare and the health insurance funds. Total private pathology claims in the market are about 5 million per annum.

**ICSGlobal Limited**  
**A.B.N. 72 073 695 584**

*Progress in the US*

A letter of Intent was signed in May 2007 with a powerful new US consortium that is coming together to participate in a "common medical banking platform" for the US healthcare system. The new consortium, BoardTrust, is an independent organisation that emerged from the influential global think tank, the Medical Banking Project (MBP). The equity stakeholders in BoardTrust are yet to be announced but will include major US banks and healthcare organisations. ICSGlobal has been a member of the Medical Banking Project since 2005. Other members include 6 of the top 20 American banks, some of the largest healthcare organisations in the US, and large employers like Disney, Sanofi-Aventis, Sun Microsystems, ACS, Fiserv and others.

ICSGlobal delivered a Proof of Concept solution for BoardTrust in June for review by initial customers. MBP is collating feedback. The target date for implementing the first commercial transactions through BoardTrust remains Q4 2007.

With BoardTrust expected to kick-start the US market for THELMA, we have temporarily put aside other initiatives that were on foot in the US to focus entirely on this major opportunity.

*Progress in the UK*

A letter of Intent was signed in May 2007 with the UK's leading primary care group, ChilversMcCrea Healthcare, to deploy THELMA to power a new sophisticated clinical information system into the UK's National Health Service (NHS). THELMA is to connect ChilversMcCrea Healthcare's national network of 30 medical centres to their local NHS Primary Care Trust, for a range of electronic clinical transactions and reports. After that the intention is to sell this new clinical information solution to the remaining Primary Care Trusts throughout the UK, making the system available for use by all primary care providers operating within the UK.

On the UK private health side, the implementation of medical claims between the health insurer Exeter Friendly Society and MidexPro, the major medical specialist practice management software owned by Avebury Computing Ltd, went live on a commercial basis in June.

**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 2007.

**MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

No significant events have occurred between 30 June 2007 and the date of this report.

**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 in office at the date of this report are:

*Ross M. Bunyon AM - Chairman and Non Executive Director*

Appointed as a director on 30 January 2007 and as Chairman on 8 June 2007, Ross holds a Bachelor of Commerce degree. He is Chairman of RailCorp NSW, Eraring Energy, Pacific Western and Turner & Townsend Pty Ltd and a director of Hunter Valley Training Company Pty Ltd. Ross was previously chief executive of Pacific Power.

Ross 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 Mining Limited, Stratatel Limited and Reward Minerals Limited. In the past three years he has also been director of Prairie Downs Metals Limited.

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

*Thomas Walther - Company Secretary*

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

*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
R. Bunyon	5*	5	-	-	-	-	-	-
D. Pritchard	15*	15	2	2	1*	1	1*	1
T. Murray	16	16	-	-	1	1	1	1
G. Lambert	16	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 Ordinary Shares	Options over Ordinary Shares
Tim Murray	12,048,333	1,000,000 – exercise price \$0.60
Ross Bunyon	100,000*	Nil
Geoff Lambert	57,143*	Nil

\*Ordinary Shares are held by an entity associated with the director.

## **REMUNERATION REPORT**

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

- A. Principles 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. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION (audited)*

#### **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 the 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.

The level of non-executive director 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 19 December 2006.

#### **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.

**ICSGlobal Limited**  
**A.B.N. 72 073 695 584**

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 2007 and 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.

*B. DETAILS OF REMUNERATION (audited)*

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 key management personnel includes the directors on page 4 and the following executive officers (who are also the four highest paid executives of the entity - due to the size of the organisation, there are only four key executive officers and management personnel) who have 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 (from 1 July 2006 - 11 May 2007)
- Mr Daniel Rigby – Development Manager

The first three staff above, were also key management during the year ended 30 June 2006. All the key management are employed by ICSGlobal Limited.

**ICSGlobal Limited**  
**A.B.N. 72 073 695 584**

2007	Short Term Employee Benefits		Post Employment	Share Based Payments	Total
	Cash Salary	Director's Fees	Super-annuation	Employee Options	
	\$	\$	\$	\$	\$
<b>DIRECTORS</b>					
R. Bunyon (appointed 30/1/2007)	-	23,586	-	-	23,586
D. Pritchard (from 1/7/2006 – 8/6/2007)	-	82,502	81,902 <sup>1</sup>	-	164,404
T. Murray	338,814	-	12,686	-	351,500
G. Lambert	-	22,500	26,550	-	49,050
	-----	-----	-----	-----	-----
<b>TOTAL</b>	338,814	128,588	121,138	-	588,540
	=====	=====	=====	=====	=====
<b>KEY MANAGEMENT PERSONNEL</b>					
L. Martin	216,064	-	12,686	-	228,750
T. Walther	81,709	-	34,595	2,642	118,946
W. Larson (from 1/7/2006 -11/5/2007)	164,041	-	77,778 <sup>2</sup>	(27,309) <sup>3</sup>	214,510
D. Rigby	108,928	-	9,908	2,642	121,478
	-----	-----	-----	-----	-----
<b>TOTAL</b>	570,742	-	134,967	(22,025)	683,684
	=====	=====	=====	=====	=====

<sup>1</sup> Includes \$72,213 pay out of directors retirement benefit accrued prior to June 2003

<sup>2</sup> Includes \$42,389 of termination benefit

<sup>3</sup> Remuneration in form of options includes negative amounts for options forfeited during the year

**ICSGlobal Limited**  
**A.B.N. 72 073 695 584**

2006	Short Term Employee Benefits		Post Employment	Share Based Payments	Total
	Cash Salary	Director's Fees	Super-annuation	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
	=====	=====	=====	=====	=====

**C. SERVICE AGREEMENTS (audited)**

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.

**D. SHARE BASED REMUNERATION (audited)**

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:

**ICSGlobal Limited**  
**A.B.N. 72 073 695 584**

Grant date	Expiry Date	Exercise Price	Value Per Option At Grant Date	Number of Options	Vesting Date
7 July 2003	6 July 2008	\$0.10	\$0.27	200,000	Cashflow milestone
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
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
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
20 December 2005	19 December 2010	\$0.50	Nil	675,000	33% 20 Dec 2006, 33% 20 Dec 2007, 33% 20 Dec 2008

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.

*Options Granted to Directors and Key Management Personnel*

Details of employee options over ordinary shares in the company provided as remuneration of each director and key management personnel are as follows.

**ICSGlobal Limited**  
**A.B.N. 72 073 695 584**

The following employee options were granted to key management personnel in the 2006 and 2007 financial years:

	Number Of Options Granted During The Year		Number Of Options Vested During The Year	
	2007 *	2006	2007	2006
KEY MANAGEMENT PERSONNEL				
L. Martin	-	250,000	83,333	8,333
W. Larson (From 1/7/2006 - 1/5/2007)	-	250,000	-	8,333
M. Ford (Resigned 18/8/2006)	-	100,000	-	30,000
L. Hamilton (Resigned 21/8/2006)	-	100,000	-	-
T. Walther	-	75,000	91,666	33,333
D. Rigby	-	75,000	91,666	33,333
	-----	-----	-----	-----
TOTAL	-	850,000	266,665	113,332
	=====	=====	=====	=====

\*No options were granted to key management personnel during the 2007 financial year.

The employee options granted in the 2006 financial year have an exercise price of \$0.50. 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 2006 financial year was calculated using the Black Scholes methodology using a risk free interest rate of 5.50%, nil expected dividends, vesting assumptions outlined above and in the notes to the financial statements and a volatility factor of 0.38 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 2006 financial year had a nil valuation.

*Shares Provided On Exercise Of Employee Options*

Details of ordinary shares in the company provided as a result of the exercise of remuneration options to each director and employee options of other key management personnel of the Group are set out below:

Name	Date of Exercise of Options	Number of ordinary shares issued on exercise of options during the year	
		2007	2006
L. Martin	08 August 2005	-	250,000
W. Larson	25 November 2005	-	8,333
		-----	-----
Total		-	258,333
		=====	=====

**ICSGlobal Limited**  
**A.B.N. 72 073 695 584**

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

No directors or key management exercised options during the 2007 financial year.

The amounts paid per ordinary share in 2006, 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
25 November 2005	\$0.25

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

*E. ADDITIONAL INFORMATION (unaudited)*

*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 2007 financial year:

	A	B	C	D	E
	Proportion of Remuneration Consisting of Employee Options	Options Granted in 2007: Value at Grant Date	Options Exercised in 2007: Value at Exercise Date	Options that Lapsed in 2007: Value at Lapse Date	Total of Columns B to D
	%	\$	\$	\$	\$
<b>DIRECTORS</b>					
R. Bunyon	0.0 %	-	-	-	-
D. Pritchard	0.0 %	-	-	-	-
T. Murray	0.0 %	-	-	-	-
G. Lambert	0.0 %	-	-	-	-
<b>KEY MANAGEMENT PERSONNEL</b>					
L. Martin	0.0 %	-	-	-	-
T. Walther	2.2 %	-	-	-	-
W. Larson	(12.7)%	-	-	-	-
D. Rigby	2.2 %	-	-	-	-
A = The percentage of the value of remuneration consisting of options, based on the value of options expensed during the current year.					
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.

**ICSGlobal Limited**  
**A.B.N. 72 073 695 584**

**Shares Under Option**

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

<b>Date Options Granted</b>	<b>Expiry Date</b>	<b>Issue Price Of Shares</b>	<b>Number Under Option</b>
Dates between 24/01/2002 and 23/10/2003	Dates between 23/01/2007 and 22/10/2008	\$0.10	175,000
Dates between 01/12/2004 and 06/08/2007	Dates between 30/11/2009 and 07/08/2012	\$0.50	1,800,000
Total			1,975,000

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

**Shares Issued On The Exercise Of Options**

No ordinary shares of ICSGlobal Limited were issued during the year ended 30 June 2007 financial on the exercise of options granted under the ICSGlobal Employee Option Plan.

## 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.

PKF New South Wales Partnership	Consolidated		ICSGlobal Limited	
	2007	2006	2007	2006
	\$	\$	\$	\$
AUDIT SERVICES				
Audit and review of financial reports and other audit work under the Corporations Act 2001	27,500	26,000	27,500	26,000
	-----	-----	-----	-----
Total Remuneration for audit services	27,500	26,000	27,500	26,000
	=====	=====	=====	=====
TAXATION SERVICES				
Tax returns – assistance	6,460	5,940	6,460	5,940
Tax advice	2,900	1,040	2,900	1,040
Export market development grant - assistance	4,145	-	4,145	-
R & D tax concession offset claim - assistance	25,000	25,000	25,000	25,000
OTHER SERVICES				
Rights issue advice	3,300	-	3,300	-
	-----	-----	-----	-----
Total Remuneration for non-audit services	41,805	31,980	41,805	31,980
	=====	=====	=====	=====

### *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 15.

## INDEMNIFYING OFFICERS AND AUDITORS

During the 2007 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.

**ICSGlobal Limited**  
**A.B.N. 72 073 695 584**

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:



.....  
Ross Bunyon  
Chairman



.....  
Timothy Murray  
Managing Director & Chief Executive Officer

Sydney

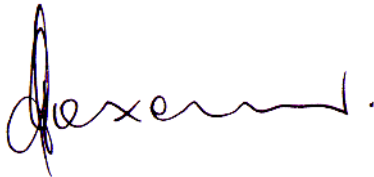
Dated this 30th day of August 2007

**Auditors' Independence Declaration**

As lead auditor for the audit of ICSGlobal Limited for the year ended 30 June 2007, I declare that, to the best of my knowledge and belief, there have been:

- i. no contraventions of the auditor independence requirements of 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 year.



**Grant Saxon**  
Partner

Sydney  
30 August 2007

PKF is a national association of independent chartered accounting and consulting firms, each trading as PKF. PKF Australia Ltd is also a member of PKF International, an association of legally independent chartered accounting and consulting firms.

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DX 10173 | Sydney Stock Exchange | New South Wales

**Income Statement**

**ICSGLOBAL LIMITED  
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007**

	NOTES	CONSOLIDATED		ICSGLOBAL LIMITED	
		2007 \$	2006 \$	2007 \$	2006 \$
Revenue	3	1,020,652	832,400	1,019,787	831,623
Expenses					
Employee expenses		2,597,904	2,845,449	2,597,904	2,845,449
External contractor expenses		368,195	137,919	368,195	137,919
Occupancy expenses		261,540	252,105	261,540	252,105
Computer expenses		169,491	187,873	169,491	187,873
Travel expenses		52,672	79,923	52,672	79,923
Marketing expenses		253,159	105,052	253,159	105,052
Depreciation		52,479	118,772	52,479	118,772
Other expenses		208,221	214,629	207,356	213,852
	4	<b>3,963,661</b>	<b>3,941,722</b>	<b>3,962,796</b>	<b>3,940,945</b>
Loss before income tax		(2,943,009)	(3,109,322)	(2,943,009)	(3,109,322)
Income tax benefit	5	368,285	320,189	368,285	320,189
Loss for the year after income tax		<b>(2,574,724)</b>	<b>(2,789,133)</b>	<b>(2,574,724)</b>	<b>(2,789,133)</b>
Loss is attributable to equity holders of ICSGlobal Limited		<b>(2,574,724)</b>	<b>(2,789,133)</b>	<b>(2,574,724)</b>	<b>(2,789,133)</b>
<b>Earnings Per Share</b>					
Basic (cents per share)	17	(2.7)	(3.3)		
Diluted (cents per share)	17	(2.7)	(3.3)		

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

**Balance Sheet**

**ICSGLOBAL LIMITED  
BALANCE SHEET AS AT 30 JUNE 2007**

	NOTES	CONSOLIDATED		ICSGLOBAL LIMITED	
		2007	2006	2007	2006
		\$	\$	\$	\$
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	6	3,577,952	1,049,181	3,542,165	1,024,841
Trade and other receivables	7	237,652	186,162	273,330	210,402
<b>TOTAL CURRENT ASSETS</b>		<b>3,815,604</b>	<b>1,235,343</b>	<b>3,815,495</b>	<b>1,235,243</b>
<b>NON-CURRENT ASSETS</b>					
Other financial assets	8	-	-	100	100
Held-to-maturity investments	9	140,805	140,805	140,805	140,805
Plant and equipment	10	72,579	85,047	72,579	85,047
<b>TOTAL NON-CURRENT ASSETS</b>		<b>213,384</b>	<b>225,852</b>	<b>213,484</b>	<b>225,952</b>
<b>TOTAL ASSETS</b>		<b>4,028,988</b>	<b>1,461,195</b>	<b>4,028,979</b>	<b>1,461,195</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	11	279,815	168,051	279,806	168,051
Provisions	12	142,769	128,309	142,769	128,309
<b>TOTAL CURRENT LIABILITIES</b>		<b>422,584</b>	<b>296,360</b>	<b>422,575</b>	<b>296,360</b>
<b>NON-CURRENT LIABILITIES</b>					
Trade and other payables	11	-	12,964	-	12,964
Provisions	12	176,751	240,082	176,751	240,082
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>176,751</b>	<b>253,046</b>	<b>176,751</b>	<b>253,046</b>
<b>TOTAL LIABILITIES</b>		<b>599,335</b>	<b>549,406</b>	<b>599,326</b>	<b>549,406</b>
<b>NET ASSETS</b>		<b>3,429,653</b>	<b>911,789</b>	<b>3,429,653</b>	<b>911,789</b>
<b>EQUITY</b>					
Contributed equity	16	26,926,761	21,761,018	26,926,761	21,761,018
Accumulated losses		(23,605,687)	(21,030,963)	(23,605,687)	(21,030,963)
Share-based payments reserve	16	108,579	181,734	108,579	181,734
<b>TOTAL EQUITY</b>		<b>3,429,653</b>	<b>911,789</b>	<b>3,429,653</b>	<b>911,789</b>

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 2007**

**CONSOLIDATED GROUP AND PARENT ENTITY**

	Contributed Equity	Accumulated Losses	Employee Option Expense Reserve	Total Equity
	\$	\$	\$	\$
BALANCE AS AT 1 JULY 2005	18,724,760	(18,241,830)	171,720	654,650
Loss for the year	-	(2,789,133)	-	(2,789,133)
<b>Issue of new shares</b>				
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
Share issue costs	(143,426)	-	-	(143,426)
Cost of share based payments	-	-	10,014	10,014
<b>BALANCE AS AT 30 JUNE 2006</b>	<b>21,761,018</b>	<b>(21,030,963)</b>	<b>181,734</b>	<b>911,789</b>
BALANCE AS AT 1 JULY 2006	21,761,018	(21,030,963)	181,734	911,789
Loss for the year	-	(2,574,724)	-	(2,574,724)
<b>Issue of new shares</b>				
8,150,000 Rights Issue Shares issued on 28 August 2006 @ \$0.25 each	2,037,500	-	-	2,037,500
13,373,000 Shares placed on 12 June 2007 @ \$0.25 each	3,343,250	-	-	3,343,250
Share issue costs	(215,007)	-	-	(215,007)
Cost of share based payments	-	-	(73,155)	(73,155)
<b>BALANCE AS AT 30 JUNE 2007</b>	<b>26,926,761</b>	<b>(23,605,687)</b>	<b>108,579</b>	<b>3,429,653</b>

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 2007

	NOTES	CONSOLIDATED		ICSGLOBAL LIMITED	
		2007	2006	2007	2006
		\$	\$	\$	\$
<b>Cash flows from operating activities</b>					
Receipts from customers (1)		921,628	813,235	-	91,328
Receipts from related entities		-	-	834,000	641,100
Payments to suppliers and employees (1)		(4,021,467)	(3,918,830)	(3,945,110)	(3,855,524)
Interest received		93,143	82,509	92,967	82,329
Export market development grant received		41,450	-	41,450	-
R & D income tax received		368,285	320,189	368,285	320,189
Net cash outflow from operating activities	15	(2,596,961)	(2,702,897)	(2,608,408)	(2,720,578)
<b>Cash flows from investing activities</b>					
Payment for plant and equipment		(40,011)	(25,285)	(40,011)	(25,285)
Net cash outflow from investing activities		(40,011)	(25,285)	(40,011)	(25,285)
<b>Cash flows from financing activities</b>					
Proceeds from issue of shares		5,380,750	3,179,684	5,380,750	3,179,684
Share issue costs		(215,007)	(143,426)	(215,007)	(143,426)
Net cash inflow from financing activities		5,165,743	3,036,258	5,165,743	3,036,258
Net increase / (decrease) in cash and cash equivalents		2,528,771	308,076	2,517,324	290,395
Cash and cash equivalents at the beginning of the year	6	1,049,181	741,105	1,024,841	734,446
<b>Cash and cash equivalents at the end of the year</b>	6	<b>3,577,952</b>	<b>1,049,181</b>	<b>3,542,165</b>	<b>1,024,841</b>

(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 2007**

<b>Note 1 - Summary of Accounting Policies</b>
--

***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 30 August 2007. 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](http://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 Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

***Statement of Compliance***

The financial report complies with Australian Accounting Standards which include Australian equivalents to International Financial Reporting Standards (AIFRS).

***Early Adoption of Standards***

The Group has elected not to early adopt any accounting standards not mandatory for the year ended 30 June 2007. The impact of not adopting these standards is not material, and would impact disclosures only. The Group has reviewed the proposed accounting standards and the impact of adoption is not material, impacting disclosures only.

***Historical Cost Convention***

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

***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 2007, 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 the parent entity has the capacity to dominate decision making in relation to the operating policies of another entity so that the other entity operates with the parent entity to achieve the objectives of the parent entity.

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 the parent entity obtains control and until such time as the the parent entity ceases to

**ICSGLOBAL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

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.

**f) Export Market Development Grant**

Export Market Development Grants are recognised in the year that the grant is received.

***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 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:

**ICSGLOBAL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

- 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.

### ***Investments and Other Financial Assets***

The Group classifies its investments in the following categories:

- Loans and receivables and held-to-maturity investments
- 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.

#### ***Held-to-maturity investments***

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. Held-to-maturity financial assets are included in non-current assets, except for those with a maturity less than 12 months from the reporting date, which are classified as current assets.

**ICSGLOBAL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

***Cash and Cash Equivalents***

Cash and cash equivalents comprise cash on hand and in banks and investments in money market instruments with terms 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***

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.

***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:

<b>Class of Fixed Asset</b>	<b>Annual Depreciation Rate</b>
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.

***Trade Payables***

Trade payables 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 2007**

***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 on a straight line basis 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 Benefits***

The following liabilities arising in respect of employee benefits 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 benefits, which are expected to be settled within twelve months of balance date.

All other employee benefits, 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 2007**

**Note 2 - Events Subsequent to Reporting Date**

There has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future years.

**Note 3 - Revenue**

	<b>Consolidated</b>		<b>ICSGlobal Limited</b>	
	2007	2006	2007	2006
	\$	\$	\$	\$
Transaction revenue from external parties	544,075	306,786	-	-
Hospital and fund annual and other fees from external parties	302,434	318,066	-	-
Transaction fees, hospital and fund annual fees and other fees from Thelma Pty Ltd	-	-	885,370	674,981
Consulting revenue	39,550	125,039	-	74,313
	-----	-----	-----	-----
	886,059	749,891	885,370	749,294
	=====	=====	=====	=====
Other revenue:				
Export Market Development Grant	41,450	-	41,450	-
Interest	93,143	82,509	92,967	82,329
	-----	-----	-----	-----
	134,593	82,509	134,417	82,329
	=====	=====	=====	=====
Total revenue	1,020,652	832,400	1,019,787	831,623
	=====	=====	=====	=====

**ICSGLOBAL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**Note 4 - Expenses**

	<b>Consolidated</b>		<b>ICSGlobal Limited</b>	
	2007	2006	2007	2006
	\$	\$	\$	\$
Loss before income tax includes the following specific expenses:				
Research and development	885,500	955,858	885,500	955,858
Lease rental expense – minimum lease payments	261,540	252,105	261,540	252,105
Depreciation of computer equipment	52,479	118,772	52,479	118,772

**ICSGLOBAL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**Note 5 - Income Tax**

	<b>Consolidated</b>		<b>ICSGlobal Limited</b>	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>Income tax benefit</b>				
Current tax	368,285	320,189	368,285	320,189
<b>Numerical reconciliation of income tax expense to prima facie tax payable.</b>				
Loss from continuing operations	(2,943,009)	(3,109,322)	(2,943,009)	(3,109,322)
	-----	-----	-----	-----
Tax at the Australian tax rate of 30% (2006 – 30%)	(882,903)	(932,797)	(882,903)	(932,797)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Share Issue expenses	(6,608)	24,308	(6,608)	24,308
Entertainment	1,643	1,301	1,643	1,301
Legal Fees	1,299	4,586	1,299	4,586
R & D claimed	304,535	243,344	304,535	243,344
Current year losses not recognised	582,034	659,258	582,034	659,258
	-----	-----	-----	-----
Income Tax Attributable To Operating Profit	-	-	-	-
	=====	=====	=====	=====
Income Tax Revenue From R & D Claim	368,285	320,189	368,285	320,189
	=====	=====	=====	=====

Potential future income tax benefits attributable to tax losses carried forward amounting to \$6,046,787, calculated at a tax rate of 30%, (2006: \$5,464,753 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 2007 was as a credit of \$79,407 (2006: \$79,407).

**ICSGLOBAL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**Note 6 – Cash And Cash Equivalents**

	Consolidated		ICSGlobal Limited	
	2007	2006	2007	2006
	\$	\$	\$	\$
Cash and cash equivalents	3,577,952	1,049,181	3,542,165	1,024,841
	=====	=====	=====	=====

**Note 7 – Trade And Other Receivables**

	Consolidated		ICSGlobal Limited	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>CURRENT</b>				
Trade accounts receivable	185,778	132,741	-	-
Prepayments	38,111	49,884	38,111	49,884
Loans to related parties	-	-	195,758	140,388
GST Refund	13,763	3,537	39,461	20,130
	-----	-----	-----	-----
Total Trade and Other Receivables – Current	237,652	186,162	273,330	210,402
	=====	=====	=====	=====

The Group has not recognised any losses in respect of bad and doubtful trade receivables during the years ended 30 June 2007 and 30 June 2006.

Further information relating to loans to related parties is set out in note 21.

Further information relating to the Group's exposure to interest rate risk and credit risk is set out in note 14.

**ICSGLOBAL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**Note 8 – Other Financial Assets**

	<b>Consolidated</b>		<b>ICSGlobal Limited</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>NON CURRENT</b>				
Investment in subsidiaries – at cost*	-	-	100	100
	-----	-----	-----	-----
Total Other Financial Assets	-	-	100	100
	=====	=====	=====	=====

\*Further information relating to Investment in subsidiaries is set out in note 23.

**Note 9 – Held-to-Maturity Investments**

	<b>Consolidated</b>		<b>ICSGlobal Limited</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>NON CURRENT</b>				
Term deposit*	140,805	140,805	140,805	140,805
	-----	-----	-----	-----
Total Held-to-Maturity Investments – Non Current	140,805	140,805	140,805	140,805
	=====	=====	=====	=====

\*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 in ICSGlobal's name and is measured at fair value.

Further information relating to the Group's exposure to interest rate risk is set out in note 14.

**ICSGLOBAL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**Note 10 - Plant and Equipment**

	<b>Consolidated</b>		<b>ICSGlobal Limited</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>NON CURRENT</b>				
Leasehold improvements				
At cost	250,055	250,055	250,055	250,055
Accumulated depreciation	(250,055)	(250,055)	(250,055)	(250,055)
	-----	-----	-----	-----
	-	-	-	-
	-----	-----	-----	-----
Office Furniture and Equipment				
At cost	135,227	134,416	135,227	134,416
Accumulated depreciation	(124,429)	(124,415)	(124,429)	(124,415)
	-----	-----	-----	-----
	10,798	10,001	10,798	10,001
	-----	-----	-----	-----
Computer Equipment				
At cost	818,770	779,569	818,770	779,569
Accumulated depreciation	(756,989)	(704,523)	(756,989)	(704,523)
	-----	-----	-----	-----
	61,781	75,046	61,781	75,046
	-----	-----	-----	-----
	-----	-----	-----	-----
<b>Total Plant and Equipment – Non Current</b>	<b>72,579</b>	<b>85,047</b>	<b>72,579</b>	<b>85,047</b>
	=====	=====	=====	=====

**ICSGLOBAL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

Group and Parent Entity: 2007	Leasehold Improvements	Office Furniture and Equipment	Computer Equipment	Total
	\$	\$	\$	\$
Balance at the beginning of the year	-	10,001	75,046	85,047
Additions	-	810	39,201	40,011
Disposals (Net Book Value) *	-	-	-	-
Depreciation expense	-	(13)	(52,466)	(52,479)
	-----	-----	-----	-----
Balance at the end of the year	-	10,798	61,781	72,579
	=====	=====	=====	=====

\* All Assets disposed during the 2007 and 2006 financial years had a net book value of nil.

<b>Note 11 – Trade and Other Payables</b>
---

	Consolidated		ICSGlobal Limited	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>CURRENT</b>				
Trade creditors	189,341	107,228	189,227	107,228
Sundry creditors and accruals	90,474	60,823	90,579	60,823
	-----	-----	-----	-----
Total Trade and Other Payables – Current	279,815	168,051	279,806	168,051
	=====	=====	=====	=====
<b>NON CURRENT</b>				
Sundry creditors and accruals	-	12,964	-	12,964
	-----	-----	-----	-----
Total Trade and Other Payables – Non Current	-	12,964	-	12,964
	=====	=====	=====	=====

**ICSGLOBAL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**Note 12 - Provisions**

	<b>Consolidated</b>		<b>ICSGlobal Limited</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>				
Employee annual leave entitlements	142,769	128,309	142,769	128,309
	-----	-----	-----	-----
Total Provisions – Current	142,769	128,309	142,769	128,309
	=====	=====	=====	=====
<b>NON CURRENT</b>				
Employee long service leave entitlements	148,820	139,938	148,820	139,938
Directors retirement benefits*	27,931	100,144	27,931	100,144
	-----	-----	-----	-----
Total Provisions – Non Current	176,751	240,082	176,751	240,082
	=====	=====	=====	=====

**\*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.

**ICSGLOBAL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**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:

<b>Lease</b>	<b>Cancellable</b>	<b>Term</b>	<b>Payments In Advance</b>	<b>Option To Renew</b>	<b>Allow For Sub-Letting</b>
Registered Office	No	30 June 2008	Yes	No	Yes
Data Centre Hosting	No	2 August 2007	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 2007 the fair value of the guarantee was \$140,805. (2006 \$140,805).

	<b>Consolidated</b>		<b>ICSGlobal Limited</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Payable:				
Not later than 1 year	313,854	277,983	313,854	277,983
Later than 1 year but not later than 5 years	2,725	283,879	2,725	283,879
	-----	-----	-----	-----
<b>Total Operating Lease Commitments</b>	<b>316,579</b>	<b>561,862</b>	<b>316,579</b>	<b>561,862</b>
	=====	=====	=====	=====

**ICSGLOBAL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**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
	2007	2007	2007
	\$	\$	\$
<b>Financial Assets</b>			
Cash and cash equivalents	-	3,577,952	3,577,952
Term deposit	-	140,805	140,805
Trade receivables	185,778	-	185,778
Other receivables	51,874	-	51,874
	-----	-----	-----
Total Financial Assets	237,652	3,718,757	3,956,409
	=====	=====	=====
<b>Financial Liabilities</b>			
Trade payables	279,815	-	279,815
	-----	-----	-----
Total Financial Liabilities	279,815	-	279,815
	=====	=====	=====
Weighted Average Interest Rate	N/A	6.0%	

**ICSGLOBAL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

Group	Non Interest Bearing	Floating Interest Rate	Total
	2006	2006	2006
	\$	\$	\$
<b>Financial Assets</b>			
Cash and cash equivalents	-	1,049,181	1,049,181
Term deposit	-	140,805	140,805
Trade receivables	132,741	-	132,741
Other receivables	53,421	-	53,421
	-----	-----	-----
Total Financial Assets	186,162	1,189,986	1,376,148
	=====	=====	=====
<b>Financial Liabilities</b>			
Trade payables	168,051	-	168,051
	-----	-----	-----
Total Financial Liabilities	168,051	-	168,051
	=====	=====	=====
Weighted Average Interest Rate	N/A	5.6%	

**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**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**Note 15 – Reconciliation of Net Cash Provided By / (Used In) Operating Activities to Operating Loss after Income Tax**

	<b>Consolidated</b>		<b>ICSGlobal Limited</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Operating loss after income tax	(2,574,724)	(2,789,133)	(2,574,724)	(2,789,133)
Depreciation	52,479	118,772	52,479	118,772
Non-cash employee benefits expense – share based payments	(73,155)	10,014	(73,155)	10,014
(Increase)/Decrease in trade accounts receivable	(53,037)	(11,656)	-	9,584
(Increase)/Decrease in loans to related parties	-	-	(55,370)	(33,881)
(Increase)/Decrease in other assets	-	(24,203)	-	(24,203)
(Increase)/Decrease in GST refund	(10,226)	20,950	(19,331)	15,910
(Increase)/Decrease in prepayments	11,773	25,431	11,773	25,431
Increase/(Decrease) in trade payables	98,800	(146,233)	98,791	(146,233)
Increase/(Decrease) in employee benefits	(48,871)	93,161	(48,871)	93,161
	-----	-----	-----	-----
Net Cash Provided By/(Used) In Operating Activities	(2,596,961)	(2,702,897)	(2,608,408)	(2,720,578)
	=====	=====	=====	=====

**ICSGLOBAL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**Note 16 - Contributed Equity and Reserves**

	Consolidated		ICSGlobal Limited	
	2007	2006	2007	2006
			\$	\$
Share Capital: Ordinary Shares fully paid	26,926,761	21,761,018	26,926,761	21,761,018
	=====	=====	=====	=====

Group	Number of Shares	Number of Shares	\$	\$
	2007	2006	2007	2006
Ordinary Shares at beginning of the financial year	88,507,705	77,533,178		
Opening Capital			21,761,018	18,724,760
Shares issued during the year / Proceeds of Capital Raising:				
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
Rights Issue Shares issued on 28 August 2006 @ \$0.25 each	8,150,000		2,037,500	
Shares placed on 12 June 2007 @ \$0.25 each	13,373,000		3,343,250	
Capital Raising Expenses			(215,007)	(143,426)
	-----	-----	-----	-----
Total Shares On Issue / Closing Balance	110,030,705	88,507,705	26,926,761	21,761,018
	=====	=====	=====	=====

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**  
**FOR THE YEAR ENDED 30 JUNE 2007**

<b>SHARE – BASED PAYMENTS RESERVE</b>	<b>Consolidated</b>		<b>ICSGlobal Limited</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance 1 July	181,734	171,720	181,734	171,720
Option expense	(73,155)	10,014	(73,155)	10,014
	-----	-----	-----	-----
Balance 30 June	108,579	181,734	108,579	181,734
	=====	=====	=====	=====

The share - based payments reserve is used to recognise the fair value of options issued to employees but not exercised.

<b>ACCUMULATED LOSSES</b>	<b>Consolidated</b>		<b>ICSGlobal Limited</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance 1 July	(21,030,963)	(18,241,830)	(21,030,963)	(18,241,830)
Loss for the year	(2,574,724)	(2,789,133)	(2,574,724)	(2,789,133)
	-----	-----	-----	-----
Balance 30 June	(23,605,687)	(21,030,963)	(23,605,687)	(21,030,963)
	=====	=====	=====	=====

**ICSGLOBAL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**Note 17 - Earnings Per Share**

	<b>Consolidated</b>		<b>ICSGlobal Limited</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Basic earnings per share	(2.7) cents	(3.3) cents	(2.7) cents	(3.3) cents
Diluted earnings per share	(2.7) cents	(3.3) cents	(2.7) cents	(3.3) cents
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share and diluted earnings per share	96,058,765	84,682,770	96,058,765	84,682,770
Loss used to calculate basic earnings per share and fully diluted earnings per share	(2,574,724)	(2,789,133)	(2,574,724)	(2,789,133)

**ICSGLOBAL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**Note 18 – Auditor’s Remuneration**

	<b>Consolidated</b>		<b>ICSGlobal Limited</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
The Auditor’s provided the following services to the Group:				
<b>AUDIT SERVICES</b>				
Audit and review of financial reports and other audit work under the Corporations Act 2001	27,500	26,000	27,500	26,000
	-----	-----	-----	-----
Total Remuneration for audit services	27,500	26,000	27,500	26,000
	=====	=====	=====	=====
<b>TAXATION SERVICES</b>				
Tax returns – assistance	6,460	5,940	6,460	5,940
Tax advice	2,900	1,040	2,900	1,040
Export market development grant - assistance	4,145	-	4,145	-
R & D tax concession offset claim - assistance	25,000	25,000	25,000	25,000
<b>OTHER SERVICES</b>				
Rights issue advice	3,300	-	3,300	-
	-----	-----	-----	-----
Total Remuneration for non-audit services	41,805	31,980	41,805	31,980
	=====	=====	=====	=====

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 2007**

**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**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

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**

	<b>Consolidated</b>		<b>ICSGlobal Limited</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Opening Balance – Number of Options	3,606,667	2,876,671	3,606,667	2,876,671
Number of Options Issued	225,000	2,000,000	225,000	2,000,000
Number of Options Exercised	-	(295,002)	-	(295,002)
Number of Options Cancelled or Lapsed	(2,006,667)	(975,002)	(2,006,667)	(975,002)
	-----	-----	-----	-----
Closing Balance – Number of Options	1,825,000	3,606,667	1,825,000	3,606,667
	=====	=====	=====	=====

**ICSGLOBAL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

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	Vested & Exercisable at end of the year
			Number	Number	Number	Number	Number	Number
<b>CONSOLIDATED AND PARENT ENTITY 2007</b>								
Dates between 24/01/2002 & 23/10/2003	Dates between 23/01/2007 & 22/10/2008	\$0.10	625,000	-	-	(450,000)	175,000	-
Dates between 30/11/2001 & 1/03/2005	Dates between 29/11/2006 & 28/02/2010	\$0.25	481,667	-	-	(481,667)	-	-
Dates between 01/12/2004 & 10/04/2007	Dates between 30/11/2009 & 11/04/2012	\$0.50	2,500,000	225,000	-	(1,075,000)	1,650,000	641,667
			-----	-----	-----	-----	-----	-----
Total			3,606,667	225,000	-	(2,006,667)	1,825,000	641,667
			=====	=====	=====	=====	=====	=====
Weighted average exercise price			\$0.40	\$0.50	-	\$0.35	\$0.46	\$0.50
<b>CONSOLIDATED AND PARENT ENTITY 2006</b>								
Dates between 24/01/2002 & 23/10/2003	Dates between 23/01/2007 & 22/10/2008	\$0.10	725,000	-	-	(100,000)	625,000	-
Dates between 30/11/2001 & 1/03/2005	Dates between 29/11/2006 & 28/02/2010	\$0.25	1,201,671	-	(295,002)	(425,002)	481,667	216,666
Dates between 01/12/2004 & 22/05/2006	Dates between 30/11/2009 & 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

The weighted average share price at the date of exercise of options exercised regularly during the year ended 30 June 2007 is not applicable since no options were exercised. (2006 - \$0.33).

The weighted average remaining contractual life of share options outstanding at the end of the period was 2.5 years (2006 – 3.2 years).

**ICSGLOBAL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

Fair value at grant date of options granted during the year ended 30 June 2007 was nil cents per option (2006: Nil cents per option). The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free rate for the term of the option.

<b>Note 20 – Key Management Personnel Disclosures</b>
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**Key Management Personnel**

**Directors**

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

- Mr Ross M. Bunyon - Chairman and non-executive director (Appointed non-executive director 30 January 2007 and non-executive chairman on 8 June 2007)
- Mr Timothy J. Murray - Managing Director
- Mr Geoffrey E. Lambert - non-executive director
- Mr Dean A. Pritchard - former non-executive Chairman who resigned on 8 June 2007

**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
- Mr Daniel Rigby – Development Manager
- Ms Wendy Larson – Strategic Integration Director (from 1 July 2006 to 11 May 2007)

All of the above persons were also key management persons during the year ended 30 June 2006, except Daniel Rigby who commenced in his position with the Group on 19 August 2006. All key management persons are employed by ICSGlobal Limited.

**Key Management Personnel Compensation**

	<b>Consolidated</b>		<b>ICSGlobal Limited</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Short-term employee benefits	1,038,144	1,159,773	1,038,144	1,159,773
Post-employment benefits	256,105	123,160	256,105	123,160
Share-based payments	(22,025)	42,293	(22,025)	42,293
	-----	-----	-----	-----
	1,272,224	1,325,226	1,272,224	1,325,226
	=====	=====	=====	=====

The Group has taken advantage of the relief provided by Corporations Regulation 2M.6.04 and has transferred the detailed remuneration disclosures to the Directors' Report. The relevant information can be found in the Remuneration Report on pages 5 - 12.

**ICSGLOBAL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

*Share Holdings*

The numbers of shares in the Company 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.

2007	Balance at the start of the year	Rights Issue of Shares during the year	On Market (Sale) / Purchase during the year	Balance at the end of the year
<b>DIRECTORS</b>				
R. Bunyon <sup>1</sup>	-	-	100,000	100,000
T. Murray	12,048,333	-	-	12,048,333
G. Lambert <sup>1</sup>	50,000	7,143	-	57,143
	-----	-----	-----	-----
<b>TOTAL</b>	12,098,333	7,143	100,000	12,205,476
	=====	=====	=====	=====
<b>KEY MANAGEMENT PERSONNEL</b>				
L. Martin <sup>2</sup>	452,190	65,000	(5,000)	512,190
T. Walther	20,000	-	-	20,000
D. Rigby	-	-	-	-
	-----	-----	-----	-----
<b>TOTAL</b>	472,190	65,000	(5,000)	532,190
	=====	=====	=====	=====

<sup>1</sup> Shares held by an entity associated with the director

<sup>2</sup> Shares held by the executive officer and a related party of the executive officer

**ICSGLOBAL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

2006	Balance at the start of the year	Options exercised during the year	On Market (Sale) / Purchase during the year	Balance at the end of the year
<b>DIRECTORS</b>				
D. Pritchard <sup>1</sup>	300,000	-	-	300,000
T. Murray	12,048,333	-	-	12,048,333
G. Lambert <sup>1</sup>	50,000	-	-	50,000
	-----	-----	-----	-----
<b>TOTAL</b>	<b>12,398,333</b>	<b>-</b>	<b>-</b>	<b>12,398,333</b>
	=====	=====	=====	=====
<b>KEY MANAGEMENT PERSONNEL</b>				
L. Martin <sup>2</sup>	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
	-----	-----	-----	-----
<b>TOTAL</b>	<b>369,462</b>	<b>270,001</b>	<b>(80,667)</b>	<b>558,796</b>
	=====	=====	=====	=====

<sup>1</sup> Shares held by an entity associated with the director

<sup>2</sup> Shares held by the executive officer and a related party of the executive officer

**ICSGLOBAL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**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 at the start of the year	Granted as Compensation	Options Exercised during the year	Options that Expired during the year	Balance at end of year	Total Exercisable at end of year	Total Unexercisable at end of year
<b>DIRECTORS</b>							
R. Bunyon	-	-	-	-	-	-	-
T. Murray	1,000,000	-	-	-	1,000,000	1,000,000	-
G. Lambert	100,000	-	-	(100,000)	-	-	-
	-----	-----	-----	-----	-----	-----	-----
TOTAL	1,100,000	-	-	(100,000)	1,000,000	1,000,000	-
	=====	=====	=====	=====	=====	=====	=====
<b>KEY MANAGEMENT PERSONNEL</b>							
L. Martin	525,000	-	-	(175,000)	350,000	83,333	266,667
D. Rigby	200,000	-	-	-	200,000	91,667	108,333
T. Walther	225,000	-	-	-	225,000	91,667	133,333
	-----	-----	-----	-----	-----	-----	-----
TOTAL	950,000	-	-	(175,000)	775,000	266,667	508,333
	=====	=====	=====	=====	=====	=====	=====

**ICSGLOBAL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

	Balance at the start of the year	Granted as Compensation	Options Exercised during the year	Options that Expired during the year	Balance at end of year	Total Exercisable at end of year	Total Unexercisable at end of year
<b>DIRECTORS</b>							
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
	=====	=====	=====	=====	=====	=====	=====
<b>KEY MANAGEMENT PERSONNEL</b>							
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 2007**

**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	
	2007	2006	2007	2006
	\$	\$	\$	\$
Transaction fees, annual fees and other fees from Thelma Pty Ltd	-	-	885,370	674,981
Thelma Pty Ltd loan account balance	-	-	195,758	140,388

**Note 22 – Segment Information**

The Group'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
		2007	2006	
Parent Company: ICSGlobal Limited	Australia			
Controlled Entity: Thelma Pty Ltd	Australia	100 %	100 %	Ordinary
Controlled Entity: EziBill Pty Ltd	Australia	100 %	100 %	Ordinary
Controlled Entity: Thelma-EU Limited *	England	100 %	N/A	Ordinary

- Thelma-EU Limited was incorporated on 14 June 2007

**ICSGLOBAL LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

<b>Note 24 – Company Details</b>
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***Registered Office and Principal Place of Business***

Level 26, 201 Kent Street, Sydney NSW 2000

***Number of Employees***

	<b>Consolidated</b>		<b>ICSGlobal Limited</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Number of employees as at 30 June	19	20	19	20
	=====	=====	=====	=====

## **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 2007 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.



.....  
Ross Bunyon  
Chairman

Sydney  
Dated this 30th day of August 2007

## INDEPENDENT AUDITOR'S REPORT

To the members of ICSGlobal Limited

### **Report on the financial report and AASB 124 remuneration disclosures contained in the directors' report**

We have audited the accompanying financial report of ICSGlobal Limited (the company), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

We have also audited the remuneration disclosures contained in the directors' report. As permitted by the *Corporations Regulations 2001*, the company has disclosed information about remuneration of directors and executives ('remuneration disclosures') required by accounting standard AASB 124 *Related Party Disclosures*, under the heading "remuneration report" in pages 5 to 11 of the directors' report and not in the financial report

*Directors' responsibility for the financial report and AASB 124 remuneration disclosures contained in the directors' report*

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors' of the company are also responsible for the remuneration disclosures contained in the directors' report.

#### *Auditor's responsibility*

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

PKF is a national association of independent chartered accounting and consulting firms, each trading as PKF. PKF Australia Ltd is also a member of PKF International, an association of legally independent chartered accounting and consulting firms.

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DX 10173 | Sydney Stock Exchange | New South Wales

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

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

#### *Independence*

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

#### *Auditor's opinion on the financial report*

In our opinion, the financial report of ICSGlobal Limited is in accordance with the *Corporations Act 2001*, including:

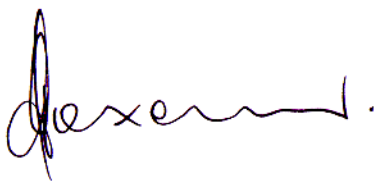
- (a) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

#### *Auditor's opinion on the AASB 124 remuneration disclosures contained in the directors' report*

In our opinion the remuneration disclosures that are contained in pages 5 to 11 of the directors' report comply with Accounting Standard AASB 124.



**PKF**  
New South Wales



**Grant Saxon**  
Partner

**Sydney**  
**30 August 2007**