
ASX Announcement

29 April 2014

ASX RELEASE

APPENDIX 4C – QUARTERLY CASH FLOW REPORT – MARCH 2014

iCollege Limited (formerly DGI Holdings Ltd) (ASX: ICT) (“the Company”) lodges the attached Appendix 4C Quarterly report for entities admitted on the basis of commitments for the quarter ended 31 March 2014.

Commentary is provided as follows:

- The Company held cash reserves of \$756,000 at 31 March 2014.
- Net operating and investing cash outflows for the March quarter were \$285,000.
- Net financing inflows for the March quarter were \$208,905 resulting from the exercise of 1,590,475 unlisted options and the placement of 50,000,000 unlisted shares at an issue price of \$0.005 per share with a free attaching option.

During the Quarter, DGI shareholders approved the acquisition of iCollege Pty Ltd (“iCollege”), a cloud based online education company.

iCollege is a spin out of a profitable existing online education business using a proven cloud based software platform to deliver self paced career and professional development courses worldwide.

The online education market is becoming one of the faster growing industries in the world. The ability to offer education online is scalable.

The iCollege Business

iCollege is a business developed by Victor Hawkins, a management consultant and business owner for the past 20 years, and who has spent the past 5 years successfully owning and operating a cloud based software platform selling other online education courses. It is this platform that is the subject of a perpetual exclusive licence to iCollege.

The key terms of the acquisition are as follows:

1. The consideration is the issue of 250m ordinary fully paid shares with attaching 1 for 2 options (exercise price of minimum 20 cents each (post consolidation) and expiry date of 5 years) in DGI to the shareholders of iCollege.
2. As further consideration, DGI will issue performance shares (subject to the receipt of appropriate shareholder and ASX approvals) as follows:
 - a. Performance Tranche 1 - 50m ordinary shares when sales revenue reaches \$1.0 million within 2 years;
 - b. Performance Tranche 2 - 50m ordinary shares when EBITDA reaches \$500,000 within 2 years; and
 - c. Performance Tranche 3 - 50m ordinary shares when EBITDA reaches \$2.5 million within 3 years.
 - d. For each tranche of shares issued, the Company has agreed to grant a 1 for 1 attaching option (exercise price of minimum 20 cents each (post consolidation) and expiry date of 5 years).

The completion of the transaction was subject to a capital raising (sufficient to apply for re-instatement, compliance with Chapters 1 and 2 of the ASX Listing Rules and approval for re-admission to the official list of ASX).

On 14 March 2014, all resolutions presented at the General Meeting of shareholders held on the day were passed on a show of hands.

As announced on 10 April 2014, the capital raising was closed oversubscribed raising \$2,676,790, an amount of approximately \$177,000 in excess of the minimum subscription. The consolidation of capital has also been implemented and completed.

Further announced on 17 April 2014, the new shares have been issued to shareholders who subscribed to the capital raising under the Prospectus dated 24 February 2014. In addition, the Vendors consideration securities have also been issued in relation to the acquisition of iCollege Pty Ltd.

The Company is now working with the ASX to finalise the requirements for the Company to be re-instated to quotation on the ASX.

Mr Victor Hawkins will be appointed as the Managing Director on completion, and Mr Philip Re and Mr Johannes de Back will be appointed as non-executive Directors.

For more information, please contact

Susan Hunter

Company Secretary

+ 61 8 9321 4000

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

DGI HOLDINGS LTD

ABN

75 105 012 066

Quarter ended ("current quarter")

31 March 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) staff costs	-	-
	(b) advertising and marketing	(11)	(43)
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	(170)	(274)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	6	17
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net operating cash flows	(175)	(300)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(175)	(300)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	(2)
(d) physical non-current assets	-	(2)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities – iCollege Pty Ltd	(110)	(110)
1.12 Loans repaid by other entities	-	-
1.13 Other (iCollege Pty Ltd Option Payment and associated costs)	-	(78)
Net investing cash flows	(110)	(192)
1.14 Total operating and investing cash flows	(285)	(492)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	209	344
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	209	344
Net increase (decrease) in cash held	(76)	(148)
1.21 Cash at beginning of quarter/year to date	832	904
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	756	756

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	95
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions Payment of consulting and legal fees (including reimbursement of expenses)	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NA

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

NA

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

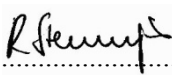
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	756	832
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		756	832

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	iCollege Holdings Pty Ltd
5.2	Place of incorporation or registration	WA
5.3	Consideration for acquisition or disposal	\$75,000
5.4	Total net assets	Nil
5.5	Nature of business	On-line education

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 29 April 2014
 (Director/~~Company secretary~~)

Print name: Roger Steinepreis

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.