



ICOLLEGE LIMITED

ABN 75 105 012 066

ASX Appendix 4E (rule 4.3A)

Preliminary final report for the year ended 30 June 2015

Details of the reporting period and the previous corresponding period

Reporting Period: 30 June 2015
Previous Corresponding Period: 30 June 2014

Results for announcement to the market

(All comparisons to year ended 30 June 2014)

	\$A'000	Up/Down	% Movement
Revenue from ordinary activities	829	up	3149%
Revenue from ordinary activities excluding interest income	785	up	26014%
Loss from ordinary activities after tax	(2,258)	up	202%
Loss attributable to members	(2,258)	up	202%

Dividends	Amount per share	Franked amount per share
Interim dividend	N/A	N/A
Final dividend	N/A	N/A
Record date for determining entitlements to dividends		N/A

Brief explanation of any figures reported above necessary to enable the figures to be understood

Refer to ASX Announcement and attached Review and Results of Operations

Net tangible assets backing	30 June 2015	30 June 2014
Net tangible assets/(liability) per security	(6.59) cents	4.77 cents
Net asset backing per security	7.41 cents	9.40 cents



Control gained or lost over entities having material effect

Refer to attached Financial Report

Material interest in entities which are not controlled entities

The consolidated entity has an interest (that is material to it) in the following entities: Nil

Compliance Statement

The preliminary final report has been prepared based on the 30 June 2015 accounts which are in the process of being audited by an independent Audit Firm in accordance with the requirements of s302 of the *Corporations Act 2001*.

Attachments forming part of Appendix 4E:

1. Financial Report

A handwritten signature in black ink, appearing to read 'Ross Cotton', is written over a horizontal line.

Signed: _____

Ross Cotton
Executive Director

Date: 31 August 2015



ICOLLEGE LIMITED

ABN 75 105 012 066

FINANCIAL REPORT
FOR APPENDIX 4E

ICOLLEGE LIMITED
ABN 75 105 012 066

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ICOLLEGE LIMITED

CORPORATE DIRECTORY

Directors

Mr Johannes de Back - Non-executive Chairman
Mr Victor Hawkins – Managing Director
Mr Ross Cotton- Executive Director
Mr Philip Re - Non-executive Director

Company Secretary

Mr Christopher Watts

Registered Office

Suite 1 GF
437 Roberts Road
SUBIACO WA 6008

Telephone: + 61 8 6380 2555
Facsimile: + 61 8 9381 1122

Solicitors

Price Sierakowski
Level 24, St Martin's Tower
44 St George's Terrace
Perth, WA 6000

Stock Exchange Listing

ASX Limited
(Home branch - Perth, Western Australia)
ASX Code: ICT

Auditor

Bentleys Audit & Corporate Pty Ltd
Level 1, 12 Kings Park Road West Perth
WA 6005

Bankers

Commonwealth Bank Limited
Ground Floor, 50 St Georges Terrace
PERTH WA 6000

Share Registry

Link Market Services Limited
Level 4, 152 St George's Terrace
Perth WA 6000

ICOLLEGE LIMITED
REVIEW AND RESULTS OF OPERATIONS

PRINCIPAL ACTIVITIES

iCollege Limited is an Australian company listed on the Australian Securities Exchange (ASX code: ICT).

iCollege's is a training organisation that has positioned itself to become one of Australia's leading educators through growth spurred by acquisitions and current portfolio companies. Launched in 2014 to help students and workers stay relevant in an ever-changing employment environment, their development is fuelled via the use of a learning management platform – an innovative technology designed to make the e-learning experience more flexible, dynamic and mobile.

REVIEW AND RESULTS OF OPERATIONS

The Company recorded a loss after tax for the year ended 30 June 2015 of \$2,257,894 (2014: \$747,917).

The loss is mainly due to the following factors:

1. Development of the iCollege platform
2. Acquisition and due diligence costs of subsidiaries
3. Integration costs associated post acquisitions
4. Continued corporate overheads including marketing, sales and promotion
5. The process and change of ownership and allocation of contracts for funding from State Education Departments caused delays in revenue.

The Company is in the process of receiving confirmation of the change of ownership and allocation of contracts for funding from State Education Departments. This confirmation will enable the payment of the revenue due from sales of delivered training to iCollege.

Moving forward, it is common practice that all training delivered by the Group and subject to State Government funding will be paid in the month following successful and compliant completion.

During the financial year, iCollege Limited completed the 100% acquisitions of the following companies:

1. The Bookkeeping School Pty Ltd (acquired 9 December 2014)
2. Mathisi Pty Ltd (acquired 1 April 2015)
3. Management Institute of Australia Pty Ltd (acquired 1 April 2015)

In addition, iCollege currently has entered into agreements to acquire the following companies subject to due diligence:

1. Apollo Healthcare Solutions Pty Ltd
2. Celtic Training & Consultancy Pty Ltd

Appointment of Chief Operating Officer

On 9 July 2015, iCollege Limited announced the appointment of Stuart Manifold as our new Chief Operating Officer. His role will be to grow the company through strategic partnerships through his contacts developed over 20 years in the VET sector. Stuart will be directly responsible for the development of the strategic direction for iCollege in close collaboration with the Board.

Integration Overview

iCollege has appointed a Head of Technology to assist with the harmonisation of all digital assets within the group, which includes advances in the following areas:

- Continued development and review of the iCollege E-Learning and reporting platform

ICOLLEGE LIMITED
REVIEW AND RESULTS OF OPERATIONS

- Development of strategy and research into the latest technology around online registration of students and connectivity with iCollege reporting functions
- Centralisation and consistency of messaging across all iCollege company websites and Social Media platforms
- Gradual and prioritised migration of all sales and client information to a central Client Relationship Management system (CRM)

iCollege has begun the process of establishing a shared services division within the business allowing the Company to develop economies of scale in the following areas:

- Sales and Marketing
- Educational Instructors and Human Resources
- Governance and Compliance
- Customer Service and Satisfaction
- Streamlined accounting functions, which will allow a greater depth of reporting across the group and within each individual asset

The integration process has been developed in line with the overall goals and objectives for iCollege Limited. These have been shared with the entire team providing a solid direction moving into the FY16. This division is headed by suitably qualified individuals who are tasked with expanding their teams to cope with the overall scaling of the Company.

iCollege has instigated significant discussions with a number of corporate and community based organisations in relation to the provision of long term training to assist those organisations in achieving their workforce development goals.

Loyalty Option

On 18 June 2014, iCollege announced to undertake a fully underwritten non-renounceable rights issue of one option to acquire a fully paid ordinary share in the capital of the Company (exercisable at 20 cents on or before the date which is 3 three years from the date of issue) for every 3 shares held by shareholders at the record date to raise up to A\$186,736 before costs, which was finalised on 25 July 2014.

Placement Completion

On 3 December 2014, iCollege announced it had firm commitments in place for the placement of 3,333,334 shares at \$0.15, to raise \$500,000. The Placement shares were offered with a 1 for 2 free attaching listed option (ASX.ICTO) and was subscribed to by key strategic Sophisticated investors. The placement was completed under the company's existing 7.1 and 7.1A Placement capacity.

Successful Completion of Sale of Small Holdings of Shares

On 23 December 2014, iCollege was pleased to advise that the sale of small holdings of shares ("**Sale**") announced on 30 October 2014, was completed.

In total 504 minority holders holding an aggregate of 542,595 shares in the Company, participated in the Sale. The holdings were sold to Eyeon Investments Pty Ltd as per the agreement ("**Agreement**") with Eyeon Investments Pty Ltd (a member of the Copulos Group) ("**Purchaser**") under which the Purchaser agreed to buy the ordinary shares of shareholders who hold shares in the Company valued at less than a "marketable parcel" (defined in the ASX Listings Rules as a parcel of securities of not less than \$500) ("**Small Holding**") at a price of \$0.15 per share.

Acquisition Funding

On 20 March 2015, iCollege placed a Convertible Loan with the Copulos Group and other associated high net worth investors for a minimum of \$500,000.

ICOLLEGE LIMITED
REVIEW AND RESULTS OF OPERATIONS

Further to the announcement released to the ASX on 20 March 2015, iCollege Limited (ASX: ICT) (“iCollege” and “the Company”) announced on 29 April 2015 that it has closed the convertible loan facility, successfully raising \$1.3m. No further capital will be accepted under this facility.

As previously announced, major shareholder, The Copulos Group provided \$500k under the facility and has now been joined by a consortium of highly strategic investors.

Most notably, Mr Peter Arvanitis, has provided \$500k under the facility. Mr Arvanitis is the founder of Estia Health (EHE.ASX). Under Peter’s leadership, Estia expanded successfully from its first aged care home to its current 45 facilities. As CEO, Peter led the acquisition and successful integration of 17 individual facilities.

Mr Arvanitis understanding of successful integration practices via improved documentation and compliance standards and through the introduction of technology, systems and procedures, will be a great asset to iCollege, as it moves forward with its strategy of acquiring and integrating Registered Training Organisations.

ICOLLEGE LIMITED

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 30 JUNE 2015

		30 June 2015	30 June 2014
	Note	\$	\$
Revenues			
Revenue from customers		627,146	3,000
Cost of sales		(294,457)	-
Gross Profit		332,689	3,000
Interest Revenue		46,379	22,535
Research & Development Tax Incentive		156,284	-
Expenses			
Audit and tax expenses		(43,248)	(30,238)
Commissions paid		(132,500)	-
Compliance		(93,568)	(48,643)
Consultant fees		(811,328)	(206,570)
Depreciation and amortisation		(3,414)	(23,347)
Directors fees		(237,715)	(25,000)
Employee expenses		(593,723)	(76,768)
Finance costs		(25,500)	-
Impairment of assets		(1,511)	(63,508)
Interest expenses		(27,871)	-
Legal expenses		(49,898)	(107,910)
Marketing expenses		(141,597)	(52,927)
Occupancy expenses		(99,707)	(27,272)
Share based payments	8	(163,333)	-
Travel and accommodation		(197,567)	(9,371)
Other expenses		(170,766)	(101,898)
Total expenses		(2,793,246)	(773,452)
Profit/(loss) before Income Tax		(2,257,894)	(747,917)
Income tax expense		-	-
Profit/(loss) after income tax attributable to members of iCollege Limited		(2,257,894)	(747,917)
Other comprehensive income		-	-
Total comprehensive profit/(loss) attributable to members of iCollege Limited		(2,257,894)	(747,917)
Earnings/(loss) per share		Cents per Share	Cents per Share
Basic Earnings/(loss) per share		(3.81)	(2.53)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

ICOLLEGE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	30 June 2015 \$	30 June 2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	9(a)	271,847	2,515,334
Trade and other receivables	3	382,073	84,931
Other assets		3,680	-
Total Current Assets		657,600	2,600,265
Non-Current Assets			
Property, plant & equipment		85,257	74,407
Intangible assets	4	9,253,532	2,781,465
Total Non-Current Assets		9,338,789	2,855,872
Total Assets		9,996,389	5,456,137
LIABILITIES			
Current Liabilities			
Trade and other payables	5	1,900,615	189,949
Convertible notes	6	1,300,000	-
Current tax liabilities		515,968	-
Short-term provisions		17,302	-
Total Current Liabilities		3,733,885	189,949
Non-Current Liabilities			
Deferred tax liabilities		1,319,433	-
Total Non-Current Liabilities		1,319,433	-
Total Liabilities		5,053,318	189,949
Net Assets		4,943,071	5,266,188
Equity			
Issued capital	7	32,045,047	30,449,137
Reserves	8	1,017,497	678,630
Accumulated losses		(28,119,473)	(25,861,579)
Total Equity		4,943,071	5,266,188

The Consolidated Statement of Financial Position should be read in conjunction
with the notes to the financial statements.

ICOLLEGE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Year ended 30 June 2015 \$	Year ended 30 June 2014 \$
Cash flows from operating activities			
Receipts from customers		409,042	3,300
Research & Development Tax Incentive		156,284	-
Interest received		46,379	22,535
Payments to suppliers and employees		(2,468,451)	(836,031)
Net cash flows used in operating activities	9b	(1,856,746)	(810,196)
Cash flows from investing activities			
Net cash flow from acquisition of subsidiaries	2	(1,598,700)	-
Payments for intellectual property		(709,524)	(233,751)
Payments for plant and equipment		(39,564)	(24,818)
Net cash flows used in investing activities		(2,347,788)	(258,569)
Cash flows from financing activities			
Proceeds from borrowings		1,300,000	-
Proceeds from issue of shares and options		687,546	3,080,807
Payment of share issue costs		(26,603)	(401,050)
Net cash flows provided by financing activities		1,960,943	2,679,757
Net increase in cash and cash equivalents held		(2,243,591)	1,610,992
Cash acquired on acquisition of subsidiary	2	104	416
Add opening cash and cash equivalents brought forward		2,515,334	903,926
Closing cash and cash equivalents carried forward	9a	271,847	2,515,334

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

ICOLLEGE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Issued Capital \$	Accumulated Losses \$	Option Reserve \$	Total Equity \$
At 1 July 2013	25,943,274	(25,113,662)	116,130	945,742
Profit/(loss) for the year	-	(747,917)	-	(747,917)
Total comprehensive income/(loss) for the year	-	(747,917)	-	(747,917)
Transactions with owners in their capacity as owners:				
Shares & options issued on acquisition of subsidiary	1,750,000	-	562,500	2,312,500
Issue of share capital, net of transaction costs	2,755,863	-	-	2,755,863
At 30 June 2014	30,449,137	(25,861,579)	678,630	5,266,188
At 1 July 2014	30,449,137	(25,861,579)	678,630	5,266,188
Profit/(loss) for the year	-	(2,257,894)	-	(2,257,894)
Total comprehensive income/(loss) for the year	-	(2,257,894)	-	(2,257,894)
Transactions with owners in their capacity as owners:				
Shares issued on acquisition of subsidiary	1,000,000	-	-	1,000,000
Issue of share capital, net of transaction costs	595,910	-	-	595,910
Issue of fully paid listed options, net of transaction costs	-	-	175,533	175,533
Share based payments	-	-	163,334	163,334
At 30 June 2015	32,045,047	(28,119,473)	1,017,497	4,943,071

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

ICOLLEGE LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of Preparation

This general purpose condensed financial report for the year ended 30 June 2015 has been prepared in accordance with Corporations Act 2001 and Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board.

The financial information in this report for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the Directors on 31 August 2015.

iCollege Limited is a listed public company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded. The principal activities of the company and its subsidiaries are described in this report.

The financial information in this report does not include all the notes of the type normally included within the annual financial reports and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial reports.

Therefore it is recommended that this report should be read in conjunction with the annual financial reports for the year ended 30 June 2015, when it becomes available, and be considered together with any public announcements made by iCollege Limited during the year ended 30 June 2015 in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

2. ASSET ACQUISITIONS

Effective 9 December 2014, the Company acquired 100% of the issued shares of the Bookkeeping School Pty Ltd. The total cost of the acquisition was \$115,000 and comprised of a cash payment of \$115,000.

The fair value of the identifiable assets and liabilities of the Bookkeeping School Pty Ltd as at the date of acquisition was:

9 December 2014

\$

Cash payment	115,000
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Value of assets acquired

Cash	86
Intangible assets	150,215
Trade creditors	(416)
Other creditors	(220)
Deferred tax liability	(34,665)
Fair value of net assets acquired	115,000

The contribution of the Bookkeeping School Pty Ltd to the consolidated entity's loss was a loss of \$42,741.

ICOLLEGE LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

Effective 1 April 2015, the Company acquired 100% of the issued shares of Mathisi Pty Ltd. The total cost of the acquisition was \$550,000.

The fair value of the identifiable assets and liabilities of Mathisi Pty Ltd as at the date of acquisition was:

	1 April 2015
	\$
Cash payment	550,000
Less: Loan	(66,300)
Total Consideration	483,700
Value of assets acquired	
Cash	18
GST Receivable	81,879
Other	241
Intangible assets	714,687
Income tax payable	(148,197)
Deferred tax liability	(164,928)
Fair value of net assets acquired	483,700

The contribution of Mathisi Pty Ltd to the consolidated entity's loss was a loss of \$12,575.

Effective 1 April 2015, the Company acquired 100% of the issued shares of Management Institute of Australia Pty Ltd and its associated entities. The total cost of the acquisition was \$2,000,000 of which 50% was paid in cash and 50% paid in fully paid shares. Furthermore, \$1,500,000 is payable on 23 December 2015.

The fair value of the identifiable assets and liabilities of Management Institute of Australia Pty Ltd and its associated entities as at the date of acquisition was:

	1 April 2015
	\$
Cash payment	1,000,000
Fair value of shares issued	1,000,000
Cash payment on 23 December 2015	1,500,000
Total Consideration	3,500,000
Value of assets acquired	
Receivables	139,568
GST Receivable	5,898
Other	2,821
Office equipment	7,958
Intangible assets	4,852,641
Trade creditors	(9,479)
Sundry creditors	(650)
Income tax payable	(378,917)
Deferred tax liability	(1,119,840)
Fair value of net assets acquired	3,500,000

The contribution of Management Institute of Australia Pty Ltd and its associated entities to the consolidated entity's loss was a loss of \$126,932.

ICOLLEGE LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS

	30 June 2015	30 June 2014
	\$	\$
3. TRADE AND OTHER RECEIVABLES		
Current		
Trade receivables	242,918	-
GST receivable	139,154	81,335
Total current receivables	<u>382,072</u>	<u>81,335</u>

	30 June 2015	30 June 2014
	\$	\$
4. INTANGIBLE ASSETS		
<i>Intellectual property</i>		
Opening balance	2,781,465	32,947
Additions	754,524	292,615
Acquired on acquisition of subsidiaries (refer to note 2)	5,717,543	2,504,579
Accumulated amortisation	-	(5,318)
Impairment charges	-	(43,358)
Net carrying amount	<u>9,253,532</u>	<u>2,781,465</u>

5. TRADE AND OTHER PAYABLES		
Current		
	30 June 2015	30 June 2014
	\$	\$
Trade payables	276,189	134,153
Sundry payables and accrued expenses	96,555	55,796
Accrued interest on convertible notes	27,871	-
Consideration payable (Note 6)	1,500,000	-
Total current payables	<u>1,900,615</u>	<u>189,949</u>

6. CONVERTIBLE NOTES		
Current		
	30 June 2015	30 June 2014
	\$	\$
Convertible notes	1,300,000	-
Total convertible notes	<u>1,300,000</u>	<u>-</u>

Terms and conditions of the convertible notes

- Maturity 1 years post issue date
- Coupon: 12% pa, payable quarterly in arrears
- Conversion: The loanholder may convert the loan into ordinary shares of ASX:ICT at any time during the conversion period at the conversion exercise price

ICOLLEGE LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

- Conversion period: The period commencing 10 days after the Issue Date and ending 10 business days prior to the maturity date. The Issuer to advise the Loanholder within 30 days of maturity
- Conversion Reference Price: 15 cents

	30 June 2015	30 June 2014
	\$	\$

7. ISSUED CAPITAL

(a) Issued Capital

Ordinary shares fully paid	32,045,047	30,449,137
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(b) Movements in Ordinary Share Capital

Number of Shares	Summary of Movements:	Issue Price	\$
56,020,846	Opening balance 1 July 2014		30,449,137
445	Exercise of options on 20 August 2014	\$0.20	89
2,666,668	Share placement on 24 December 2014	\$0.15	400,000
200,000	Shares issued in lieu of services 11 February 2015	\$0.15	30,000
333,333	Shares issued in lieu of services 1 April 2015	\$0.15	50,000
6,666,667	Shares issued to acquire subsidiary (refer Note 2)	\$0.15	1,000,000
170,000	Placement fee for convertible notes	\$0.15	25,500
666,667	Share placement on 13 May 2015	\$0.15	100,000
-	Costs of capital raising	-	(9,679)
66,724,626	Closing balance at 30 June 2015		32,045,047

	30 June 2015	30 June 2014
	\$	\$

8. RESERVES

Options Reserve	1,017,497	678,630
	1,017,497	678,630

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

ICOLLEGE LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS

The following securities were issued as share based payments during the year

	Value per Share/Option	Number	Value \$
Listed options exercisable at \$0.20 each on or before 24 July 2017 issued as placement fee for on sale of small holdings of shares on 24 December 2014	0.05	1,000,000	50,000
Listed options exercisable at \$0.20 each on or before 24 July 2017 issued as placement fee for issue to sophisticated investors on 24 December 2014	0.05	1,666,667	83,333
Listed options exercisable at \$0.20 each on or before 24 July 2017 issued as placement fee for issue of convertible notes on 13 May 2015	0.04	750,000	30,000
			<u>163,333</u>

The options were valued at the market price on the ASX on the date of issue.

9. STATEMENT OF CASH FLOW INFORMATION

	30 June 2015 \$	30 June 2014 \$
(a) Cash and cash equivalents		
Cash at bank and in hand	271,847	2,515,334
	<u>271,847</u>	<u>2,515,334</u>
(b) Reconciliation of profit/(loss) after tax to the net cash flows used in operations		
Profit/(loss) after income tax	(2,257,894)	(747,917)
Non-Cash Items:		
Depreciation	3,414	21,690
Amortisation	241	1,657
Impairment of assets	1,511	63,508
Share based payments - shares	105,500	-
Share based payments - options	163,333	-
Change in assets and liabilities:		
(Increase)/decrease in receivables	(70,656)	(25,099)
Increase/(decrease) in payables	158,778	(124,035)
Increase/(decrease) in accrued interest	27,871	-
Increase/(decrease) in employee provision	17,302	-
Increase/(decrease) in income tax provision	(6,146)	-
Net cash flows (used in)/provided by operating activities	<u>(1,856,746)</u>	<u>(810,196)</u>

ICOLLEGE LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

Non-cash investing and financing activity

On 1 April 2015 the Consolidated Entity completed the acquisition of Management Institute of Australia Pty Ltd and its associated entities. The total cost of the acquisition was \$2,000,000 of which 50% was paid in cash and 50% paid in fully paid shares. The issue of shares is not reflected in the Statement of Cash Flows. Refer to note 2 for details of acquisition.

10. COMMITMENTS AND CONTINGENT LIABILITIES

Mr Victor Hawkins, Director, is a beneficiary of the Performa Trust. The Company has entered into an exclusive Licence Agreement with Performa Capital Pty Ltd (as trustee of the Performa Trust) to exploit the Cloud Infrastructure, Cloud Platform and associated Intellectual Property for the purpose of providing online education and professional development courses to end users. An annual fee of \$10,000 plus GST per month is payable up to a total of \$250,000 plus GST. At year end 30 June, \$80,000 plus GST is payable within one year.

The Company has issued 10,000,002 Performance Shares in accordance with the acquisition of iCollege Holdings Pty Ltd which were issued to Victor Hawkins and Philip Re indirectly who hold 7,500,000 and 2,916,667 Performance Shares respectively. The Performance Shares will convert into ordinary shares when the following performance hurdles are achieved:

- (i) gross revenue reaches \$1M for any continuous period of 12 months within a period of 2 years from 17 April 2014 being the date of issue then 1/3 will convert into ordinary shares;
- (ii) EBITDA reaches \$500,000 for any continuous period of 12 months within a period of 2 years from 17 April 2014 being the date of issue then 1/3 will convert into ordinary shares;
- (iii) EBITDA reaches \$2.5M for any continuous period of 12 months within a period of 3 years 17 April 2014 being the date of issue then 1/3 will convert into ordinary shares.

During the year, the company acquired Management Institute of Australia and its associated entities. The terms of the acquisition of MIA are:

Total purchase price of AUD \$10m to be paid as follows:

- (i) \$1m cash upon completion plus \$1m in shares (at an issue price of \$0.15). This has been paid;
- (ii) Deferred consideration of \$8M to be paid over three performance hurdles:
 - (a) MIA reaching an EBIT of \$2,000,000 for the financial year ending 30 June 2015, a payment of \$500k in cash, and payment of \$1.5m cash on 23 December 2015;
 - (b) MIA reaching an EBIT of \$4,000,000 for the financial year ending 30 June 2016, a payment of \$1.25m cash and \$1.25m in ICT Shares (calculated as a VWAP of ICT shares for the 21 days preceding issue);
 - (c) MIA reaching an EBIT of \$6,000,000 for the financial year ending 30 June 2017, a payment of \$1.75m cash and \$1.75m in ICT Shares (calculated as a VWAP of ICT shares for the 21 days preceding issue);
 - (d) the CEO remaining with the company and signing an employment agreement until 2017.

The issue of the consideration shares will be subject to shareholder approval at the time these hurdles are met. If shareholder approval is not granted, settlement will occur by way of cash.

During the year, the company acquired Mathisi Pty Ltd ("Mathisi"). The terms of the acquisition of Mathisi are:

Total purchase price of AUD \$750,000 to be paid as follows:

- (i) \$550,000 cash at settlement. This has been paid; and
- (ii) Deferred consideration of \$200,000 to be paid as follows:
 - (a) Mathisi reaching a minimum EBIT of \$850,000 during the financial year ending 30 June 2015;
 - (b) where the Company's EBIT during the financial year ending 30 June 2015 is less than \$850,000 the deferred consideration will be reduced proportionally.

Apart from the above there are no other commitments or contingent assets/liabilities as at 30 June 2015.

ICOLLEGE LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

11. EVENTS OCCURRING AFTER REPORTING DATE

On 9 July 2015, iCollege Limited announced the appointment of Stuart Manifold as Chief Operating Officer and together with that will acquire Apollo Healthcare Solutions Pty Ltd ("Apollo"). Apollo currently provides Nursing, Return to Work Co-ordination and Injury Management for one of the world's largest mining companies at a significant Queensland mine site.

The acquisition terms are as follows:

- iCollege will acquire 100% of the shares in Apollo via the issue of shares in ICT to the value of \$125,000 at an issue price of \$0.15 per share.
- The acquisition is subject to further due diligence and completion of formal contractual agreements.

On 19 August 2015, iCollege announced the execution of a Binding Term Sheet to acquire Celtic Training & Consultancy Pty Ltd ('Celtic'), a Registered Training Organisation providing over 30 courses in the rapidly expanding aged care, nursing, health and safety and community services sectors.

Acquisition Terms

1. Total Purchase Price is \$2,250,000 to be paid as follows:
 - a) An up-front payment of \$750,000 consisting of 50 per cent scrip and 50 per cent cash. The scrip portion is payable on the date of Change of Ownership, as issued and agreed by South Australian Department of State Development. The cash portion (\$375,000) will be deferred by three months from date of Change of Ownership issued and agreed by South Australian Department of State Development. The aforementioned up-front payment is subject to certain conditions precedent being met by Celtic. These conditions are:
 - i. Reaching EBIT in-excess of \$600,000 in FY15
 - ii. Confirmation of the same, similar or equivalent funding to be in place for 2015-2016 financial year
 - iii. integration with the iCOLLEGE e-learning platform and processes
 - iv. Consideration will be released on the completion the audit of FY15 financials
 - b) A payment of \$775,000, consisting of \$600,000 cash and \$175,000 scrip on achieving an audited EBIT of \$700,000 in FY16.
 - c) A further \$725,000 consisting of \$550,000 cash and \$175,000 scrip on the basis of the following performance hurdles being achieved:
 - i. Achieving EBIT of \$500,000 at the end of CY17 (Half Financial Year)
 - ii. This payment will be agreed and settled as per accounting standards accepted by the ASX and reported in iCollege's half year financial statements.
2. These terms will be documented in a binding Heads of Agreement (HOA) expected to be complete in the next fourteen (14) days
3. 30 day Due Diligence period
4. Mr. David Leigh-Ewers is to continue employment with the business for a period of 18 months on the following terms on a salary package of \$150,000 (including superannuation) plus additional performance incentives
5. For a period of three (3) months from date of change of ownership, the Vendor will retain sufficient working capital in Celtic. This will protect iCollege's cash position and allow for further capital investment and growth initiatives.

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6. iCollege obtaining shareholder approval for the issue of shares under ASX listing rules and the Corporations Act (if required).

No other matters or circumstances has arisen since 30 June 2015 that has significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity, in subsequent financial years.