Appendix 4D

Half Yearly Report

Name of Economic Entity	ICSGLOBAL LIMITED
ABN	72 073 695 584
Half Year Ended	31 DECEMBER 2008
Previous Corresponding Reporting Period	31 DECEMBER 2007

Results for Announcement to the Market

	$	**Percentage increase /(decrease) over previous corresponding period**
Revenue from ordinary activities	1,304,266	84.2%
Profit / (loss) from ordinary activities after tax attributable to members	(1,112,929)	39.9%
Net profit / (loss) for the period attributable to members	(1,112,929)	39.9%

The half-yearly report is to be read in conjunction with the most recent annual financial report.

Control Gained Over Entities Having Material Effect

Name of economic entity (or group of entities)	Medical Recovery Services, Inc
Date control gained	31 December 2008
Profit / (loss) from ordinary activities since the date in the current period on which control was acquired	Nil
Profit / (loss) from ordinary activities the for the whole of the previous corresponding period	Nil

Loss of Control Gained Over Entities Having Material Effect

Name of economic entity (or group of entities)	Not applicable
Date control lost	
Consolidated profit / (loss) from ordinary activities for the current period to the date of loss of control	
Profit / (loss) from ordinary activities of the controlled economic entity (or group of entities) while controlled for the whole of the previous corresponding period	

Details of Associates and Joint Venture Entities

Name of Economic Entity	Percentage Held		Share of Net Profit	
	Current Period	**Previous Period**	**Current Period**	**Previous Period**
Not Applicable				
Aggregate Share of Net Profits				

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	✓
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: Not applicable			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: Not applicable			

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	Interim Financial Report

Signed By (Director/~~Company Secretary~~)	
Print Name	Tim Murray
Date	27 February 2009

DIRECTORS' REPORT

Your directors present their report on ICSGlobal Limited and its Controlled Entities ("Consolidated Entity") for the half-year ended 31 December 2008.

Directors

The names of directors in office since the start of the financial year and up to the date of this report are:

- Mr Ross Bunyon (Non Executive Chairman)
- Mr Timothy John Murray (Managing Director)
- Mr Geoffrey Ernest Lambert (Non Executive Director)

Australia

- Transaction volumes for all of the Australian Thelma transactions continue to grow, with a steady flow of new customers joining the THELMA service. New sign ups in the December quarter were strong, particularly for inpatient medical claims to health insurance funds.

- nib health funds limited (nib), a Thelma customer since 2002, signed a new three year agreement to use the THELMA medical banking clearing house technology. nib is now live on all our health fund services including hospital accommodation claims, eligibility checking, informed financial consent and inpatient medical claims.

- On 11 August 2008, Thelma Pty Ltd, a wholly owned subsidiary of ICSGlobal, filed an application in the Federal Court of Australia alleging anti-competitive conduct by Medicare Australia through unlawfully using its market power in providing electronic private health transaction services identical to those provided by Thelma into the private health sector, free of charge, in direct competition to Thelma, for the purpose or effect of eliminating or substantially damaging Thelma; and/or to deter or prevent Thelma from engaging in competitive conduct. The directors' remain confident in the merits of ICSGlobal's case. All costs associated with the case, have been expensed as incurred.

USA

- The Thelma-US "all-payer" national electronic medical banking network went live in October 2008, with direct connections and connections through other established clearinghouses to some 1,100 healthcare payers, including Medicare and Medicaid.

- Volume has started ramping through Thelma-US. The growth rate is dependent on how quickly customers complete their new clearinghouse enrolment paperwork and begin to re-route their traffic.

- Existing customer implementations are on track to achieve our previously communicated targets of 400,000 – 500,000 transactions per month by June. The fact that the platform is established onshore in the US with traffic ramping has attracted interest from a number of major transaction hubs who have requested proposals from Thelma-US.

- The company signed two new transaction partnering contracts in August 2008, ClaimRemedi and the first billing company customer, PRS URO

- The first US billing company acquisition, Medical Recovery Services, Inc. (MRS), was completed in December 2008, with ICSGlobal taking control on 1 January 2009. Based on the annual earnings for calendar 2008, MRS will contribute earnings before interest and tax of at least $635,000 to ICSGlobal during calendar 2009. This figure has since been upgraded (see below).

UK

- New General Manager of The London Patient Billing Service (LPBS), Mr Garry Chapman, commenced in July 2008.
- A substantial reinvestment of earnings has been made into LPBS preparing it to accommodate rapid growth. Staff numbers have more than doubled, and new business systems and processes have been devised that have more than double the billing productivity of staff. A lease has been signed for a larger, modern premises near a railway station, which from March will bring all staff and management together into a single premises, and make it easier for staff to get to work.

Matters Subsequent to the End of the Half Year

- On January 21 2009, ICSGlobal raised approximately $580,000 via the placement of 4,461,197 new ordinary shares at an issue price of $0.13 per new share to supplement the cash component of the US acquisition, MRS.
- On February 24 2009, ICSGlobal announced that due to a number of new doctors joining MRS, the projected Earnings Before Interest and Tax for the 2009 calendar year for MRS had risen from the annual rate at the time of acquisition, of approximately $635,000, to over $1,000,000.
- The most recent directions hearing in the Medicare litigation was held on 26 February 2009. The orders from this hearing set out a timeline for the parties to progress towards the formal hearing, which is expected to be held in either December 2009 or February 2010.

Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration required by Section 307C of the Corporations Act 2001, is set out on page 5 and forms part of the Directors' Report for the half year ended 31 December 2008.

The report is signed in accordance with a resolution of the Board of Directors.

Tim Murray
Managing Director
Sydney, 27 February 2009

PKF

Chartered Accountants
& Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of ICSGlobal Limited for the half-year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been:

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

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

This declaration is in respect of ICSGlobal Limited and the entities it controlled during the half-year.

PKF

PKF

Paul Bull
Partner

Sydney
27 February 2009

Tel: 61 2 9251 4100 | Fax: 61 2 9240 9821 | www.pkf.com.au
PKF | ABN 83 236 985 726
Level 10, 1 Margaret Street | Sydney | New South Wales 2000 | Australia
DX 10173 | Sydney Stock Exchange | New South Wales

ICSGlobal Limited
Condensed Consolidated Income Statement
For the half year ended 31 December 2008

	Consolidated	
	31 Dec 2008	31 Dec 2007
	$	$
Operating revenue from continuing operations		
Transaction revenue from external parties	405,970	343,055
Hospital and fund annual and other fees	202,500	188,801
London Patient Billing Service	574,406	70,412
Other consulting revenue	30,240	9,350
	1,213,116	611,618
Interest income	91,150	96,407
Total revenue from continuing operations	1,304,266	708,025
Expenses of continuing operations		
Employee expenses	(1,672,803)	(1,142,934)
External contractor expenses	(116,356)	(152,875)
Occupancy expenses	(201,846)	(138,719)
Computer expenses	(106,337)	(75,824)
Marketing expenses	(299,378)	(126,673)
Legal Fees	(122,471)	(68,318)
Depreciation	(19,468)	(16,021)
Other expenses	(214,817)	(127,165)
Total expenses of continuing operations	(2,753,476)	(1,848,529)
Loss from continuing operations	(1,449,210)	(1,140,504)
Income tax benefit relating to continuing operations	336,281	344,866
Loss for the period after income tax	(1,112,929)	(795,638)
Loss attributed to the members of ICSGlobal Limited	(1,112,929)	(795,638)
Basic earnings per share (cents per share)	(0.8)	(0.7)
Diluted earnings per share (cents per share)	(0.8)	(0.7)
Dividends paid per share	Nil	Nil

The Condensed Consolidated Income Statement is to be read in conjunction with the attached notes.

ICSGlobal Limited
Condensed Consolidated Balance Sheet
As at 31 December 2008

	Consolidated	
	31 Dec 2008	30 June 2008
	$	$
CURRENT ASSETS		
Cash and cash equivalents	1,201,414	3,567,016
Trade and other receivables	484,600	453,199
R&D tax concession receivable	323,402	-
TOTAL CURRENT ASSETS	2,009,416	4,020,215
NON-CURRENT ASSETS		
Held-to-maturity investments	259,475	169,279
Plant and equipment	180,708	86,261
Deferred tax assets	54,116	41,238
Intangible assets	4,830,262	2,214,282
TOTAL NON-CURRENT ASSETS	5,324,561	2,511,060
TOTAL ASSETS	7,333,977	6,531,275
CURRENT LIABILITIES		
Trade and other payables	486,591	308,810
Borrowings	193,041	-
Provisions	184,110	157,174
TOTAL CURRENT LIABILITIES	863,742	465,984
NON-CURRENT LIABILITIES		
Borrowings	709,095	-
Provisions	193,538	199,485
TOTAL NON-CURRENT LIABILITIES	902,633	199,485
TOTAL LIABILITIES	1,766,375	665,469
NET ASSETS	5,567,602	5,865,806
EQUITY		
Contributed equity	32,026,338	31,197,907
Accumulated losses	(26,505,216)	(25,392,287)
Foreign currency translation reserve	(14,309)	(603)
Share-based payments reserve	60,789	60,789
TOTAL EQUITY	5,567,602	5,865,806
Net tangible asset backing per share (cents per share)	0.51	2.59

The Condensed Consolidated Balance Sheet is to be read in conjunction with the attached notes.

ICSGlobal Limited

Condensed Consolidated Statement of Changes in Equity

For the half year ended 31 December 2008

2008	Consolidated				
	Contributed Equity	Accumulated Losses	Foreign Currency Translation Reserve	Employee Option Expense Reserve	Total Equity
	$	$	$	$	$
Balance as at 1 July 2008	31,197,907	(25,392,287)	(603)	60,789	5,865,806
Loss for the period	-	(1,112,929)	-	-	(1,112,929)
Issue of new shares					
4,785,055 Shares issued on 31 December 2008 @ $0.175	837,384	-	-	-	837,384
Share issue expenses	(8,953)	-	-	-	(8,953)
Cost of share based payments	-	-	-	-	-
Adjustments from translation of foreign controlled entities	-	-	(13,706)	-	(13,706)
Balance as at 31 December 2008	**32,026,338**	**(26,505,216)**	**(14,309)**	**60,789**	**5,567,602**

2007	Consolidated			
	Contributed Equity	Accumulated Losses	Employee Option Expense Reserve	Total Equity
	$	$	$	$
Balance as at 1 July 2007	26,926,761	(23,605,686)	108,579	3,429,654
Loss for the period	-	(795,638)	-	(795,638)
Issue of new shares				
4,568,406 Shares issued on 3 December 2006 @ $0.23	1,050,733	-	-	1,050,733
Capital raising expenses	(4,505)	-	-	(4,505)
Cost of share based payments	-	-	-	-
Balance as at 31 December 2007	**27,972,989**	**(24,401,324)**	**108,579**	**3,680,244**

The Condensed Consolidated Statement of Changes in Equity is to be read in conjunction with the attached notes.

ICSGlobal Limited
Condensed Consolidated Cash Flow Statement
For the half year ended 31 December 2008

	Consolidated	
	31 Dec 2008	**31 Dec 2007**
	$	**$**
Cash flows from operating activities		
Receipts from customers *	1,337,574	607,665
Payments to suppliers and employees *	(2,854,952)	(1,915,102)
Interest received	91,150	96,407
Net cash outflow from operating activities	(1,426,228)	(1,211,030)
Cash flows from investing activities		
Payments for purchase of property, plant and equipment	(15,243)	(27,636)
Payment for purchase of business, net of cash acquired	(915,178)	(1,168,207)
Net cash outflow from investing activities	(930,421)	(1,195,843)
Cash flows from financing activities		
Share issue cost	(8,953)	(4,505)
Net cash inflow (outflow) from financing activities	(8,953)	(4,505)
Net increase (decrease) in cash and cash equivalents	(2,365,602)	(2,411,378)
Cash and cash equivalents at beginning of period	3,567,016	3,577,952
Cash and cash equivalents at end of period	1,201,414	1,166,574

* Inclusive of GST

The Condensed Consolidated Cash Flow Statement is to be read in conjunction with the attached notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2008

NOTE 1. BASIS OF PREPARATION OF HALF YEAR FINANCIAL REPORT

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

This Financial Report is presented in Australian dollars and is a general purpose Financial Report which has been prepared in accordance with AASB 134: Interim Financial Reporting and the Corporations Act 2001.

This Financial Report does not include all the notes of a type normally included in an annual financial report. Accordingly this report is to be read in conjunction with the most recent annual financial report for the year ended 30 June 2008. This report should also be read in conjunction with any public announcements made during the half-year ended 31 December 2008 in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules. The annual financial report of ICSGlobal Limited for the year ended 30 June 2008 is available upon request from the registered office of ICSGlobal Limited at Level 26, 201 Kent Street, Sydney NSW 2000, Australia or at www.icsglobal.com.au.

This financial report has been prepared on a going concern basis under the historical cost convention. Funding for the development of the consolidated entity's business has historically been by way of private share placements with major shareholders and rights issues. The directors believe that the increased operating cash flows from the business and any required funding will ensure the going concern basis will continue to be appropriate. In accordance with the consolidated entity's business plan, the directors will raise any additional funds required to continue to meet the entity's business objectives.

NOTE 2: ACCOUNTING POLICIES

The accounting policies and methodology computation applied in this Financial Report for the half year ended 31 December 2008 are consistent with those applied by the consolidated entity in the annual Financial Report for the year ended 30 June 2008.

The principal accounting policies adopted in the preparation of the financial report are set out below.

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 31 December 2008, and the results of all subsidiaries for the half 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.

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 parent entity obtains control and until such time as the parent entity ceases to control such entity. In preparing the consolidated Financial Statements, all intercompany balance and transactions, and unrealised profits arising within the consolidated entity have been eliminated in full.

Business Combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the consolidated entity's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the consolidated entity's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Impairment of Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Intangible Assets - Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the consolidated entity's share of the net identifiable assets of the acquired business at the date of acquisition. Goodwill on acquisitions of businesses is included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gain and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the consolidated entity's investment in each country of operation by each primary reporting segment.

Foreign Currency Translation

Functional And Presentation Currency

Items included in the financial statements of each of the controlled entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is ICSGlobal Limited's functional and presentation currency.

Transactions And Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss.

Controlled Entities

The results and financial position of all the controlled entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless that is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

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) Billing Service Revenue

Revenue is charged based on a percentage of the fees collected from patients and health insurance funds on behalf of doctors. At the end of each month, each doctor is invoiced based on the amount of fees collected during the month. Revenue is recognised by the consolidated entity in the month that the doctors' fees are collected and received and the commission becomes payable.

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:

- 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.

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:

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

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

An item of 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.

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

The Group tests annually whether Goodwill has suffered any impairment in accordance with the stated accounting policy. The recoverable amounts of cash generating units have been determined based on value in use calculations. These calculations require the use of assumptions

NOTE 3: SEGMENT INFORMATION

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

ICSGlobal acquired Medical Recovery Services, Inc in the United States effective 31 December 2008. Medical Recovery Services, Inc operates under THELMA-US Inc, a wholly owned US based subsidiary.

Primary Reporting Format – Geographical Segments

Geographical Segments	**Australia**		**United Kingdom**		**United States**		**Total**	
	31 Dec 08	**31 Dec 07**	**31 Dec 08**	**31 Dec 07**	**31 Dec 08**	**31 Dec 07**	**31 Dec 08**	**31 Dec 07**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenue	725,891	637,613	578,375	70,412	-	-	1,304,266	708,025
Segment result	(1,259,766)	(1,181,076)	74,428	40,572	(263,872)	-	(1,449,210)	(1,140,504)
Income tax benefit							336,281	344,866
Loss for the period							**(1,112,929)**	**(795,638)**

	Australia		**United Kingdom**		**United States**		**Total**	
	31 Dec 08	**30 Jun 08**	**31 Dec 08**	**30 Jun 08**	**31 Dec 08**	**30 Jun 08**	**31 Dec 08**	**30 Jun 08**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Carrying amount of segment assets	1,987,688	4,138,232	2,631,637	2,393,043	2,714,652	**-**	**7,333,977**	**6,531,275**

NOTE 4: BUSINESS COMBINATION

Effective 31 December 2008, the group acquired Medical Recovery Services, Inc (MRS), a medical billing company, based in Georgia in the United States of America.

The purchase consideration involved an initial purchase price of $2,654,698 (US$1,750,000) consisting of a combination of cash ($915,178), 4,785,055 fully paid ICSGlobal ordinary shares issued at a price of $0.175 per share ($837,384),loan financing from the vendor (total of $902,136, shown in the Balance Sheet as a current liability of $193,041 and a non current liability of $709,095) and 302,634 ICSGlobal employee options with an exercise price of 24 cents.

The purchase agreement also made provision for future additional payments, based upon the performance of MRS, in the first two years of ownership by ICSGlobal. These potential additional payments will be calculated as follows:

Calculation of First Earn-Out Amount:

If a multiple of three (3) times the Earnings Before Interest and Tax (EBIT) for the first 12 months of ownership by ICSGlobal:

- is less than or equal to the Initial Purchase Price, the First Earn-Out Amount is zero; or
- exceeds the Initial Purchase Price, the Purchaser must pay the Seller a First Earn-Out Amount calculated as follows:

First Earn-Out Amount = 3 x EBIT for the first 12 months - US$1,750,000.00

Payment of the First Earn-Out Amount:

The Purchaser must pay the Seller the First Earn-Out Amount on the First Determination Date as follows:

- 50% of the First Earn-Out Amount in cash; and
- 50% of the First Earn-Out Amount by the issue of the First Earn-Out Shares in ICSGlobal.

Calculation of Second Earn-Out Amount:

If a multiple of three (3) times the EBIT for the second 12 months of ownership by ICSGlobal:

- is less than or equal to the sum of the Initial Purchase Price and the First Earn-Out Amount, the Second Earn-Out Amount will be zero; or
- exceeds the sum of the Initial Purchase Price and the First Earn-Out Amount, the Purchaser must pay the Seller a Second Earn-Out Amount calculated as follows:

Second Earn-Out Amount = 3 x Second EBIT - US$1,750,000.00 - First Earn-Out Amount

Payment of the Second Earn-Out Amount:

The Purchaser must pay the Seller the Second Earn-Out Amount on the Second Determination Date as follows:

- 50% of the Second Earn-Out Amount in cash; and
- 50% of the Second Earn-Out Amount by the issue of the Second Earn-Out Shares in ICSGlobal.

As the total final cost of the acquisition cannot be reliably estimated, the value of the business and the associated goodwill has been determined on a preliminary basis.

Details of the initial purchase consideration, assets acquired and resulting goodwill are as follows:

	$
Purchase consideration:	
Cash consideration	915,178
Equity consideration	837,384
Loan consideration	902,136
Share Option consideration: 302,634 employee options at exercise price of $0.24	-
Direct costs relating to the acquisition	48,102
Total purchase consideration	**2,702,800**

	$
Assets and liabilities acquired:	
Fair value of identifiable assets acquired – plant & equip.	98,672
Fair value of provision for employee benefits	(11,852)
Goodwill on acquisition	2,615,980
Total assets purchased	**2,702,800**

	Group's carrying amount **$**	**Fair value** **$**
Valuation of the identifiable assets and liabilities arising from the acquisition are as follows:		
Plant and equipment	98,672	98,672
Provision for employee benefits	(11,852)	(11,852)

Goodwill has arisen on the acquisition of Medical Recovery Services, Inc because of its business operations and profitability in providing patient billing service.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of ICSGlobal Limited, I state that in the opinion of the directors:

a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including that they:

(i) give a true and fair view of the financial position as at 31 December 2008 and the performance for the half-year ended on that date of the consolidated entity; and

(ii) comply with Accounting Standards and the Corporations Regulations 2001; and

b) at the date of this declaration, there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors

Tim Murray

Managing Director

Sydney, 27 February 2009

PKF

Chartered Accountants
& Business Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of ICSGlobal Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of ICSGlobal Limited (the company), which comprises the condensed balance sheet as at 31 December 2008, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2008 or from time to time during the half-year ended on that date.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year 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 control relevant to the preparation and fair presentation of the half-year 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.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Tel: 61 2 9251 4100 | Fax: 61 2 9240 9821 | www.pkf.com.au
PKF | ABN 83 236 985 726
Level 10, 1 Margaret Street | Sydney | New South Wales 2000 | Australia
DX 10173 | Sydney Stock Exchange | New South Wales

Chartered Accountants
& Business Advisers

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of ICSGlobal Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001.*

PKF

PKF

Paul Bull
Partner

Sydney
27 February 2009