iCollege

Annual Report FY2021
iCollege Ltd

ABN 75 105 012 066

Contents


MEXICO

01 \\ WHO WE ARE

iCollege Limited is a leading vocational training provider that comprises six businesses which deliver accredited and non-accredited vocational education and training solutions.

iCollege currently has four registered training organistaions (RTOs) based in Australia:

1. Brisbane Career College Pty Ltd t/a Sero Institute
2. Celtic Training & Consultancy Pty Ltd
3. Capital Training Institute Pty Ltd
4. iCollege International Pty Ltd

An India-based specialist IT Training business focussed on the delivery of the intensive Boot Camp style training in coding:
The Hacking School

An English language testing business partnered with Cambridge Assessment English:
TestEd English

Our businesses

SERO INSTITUTE

STUDENT MARKET
Domestic & international

SECTOR
Hospitality, Foundation Skills, Business, Community Services, English Language, Information Technology

celtic training

STUDENT MARKET
Domestic

SECTOR
Health Care, Community Services

CAPITAL TRAINING INSTITUTE

STUDENT MARKET
Domestic

SECTOR
Building & Construction

TestEd English

STUDENT MARKET
Domestic & international

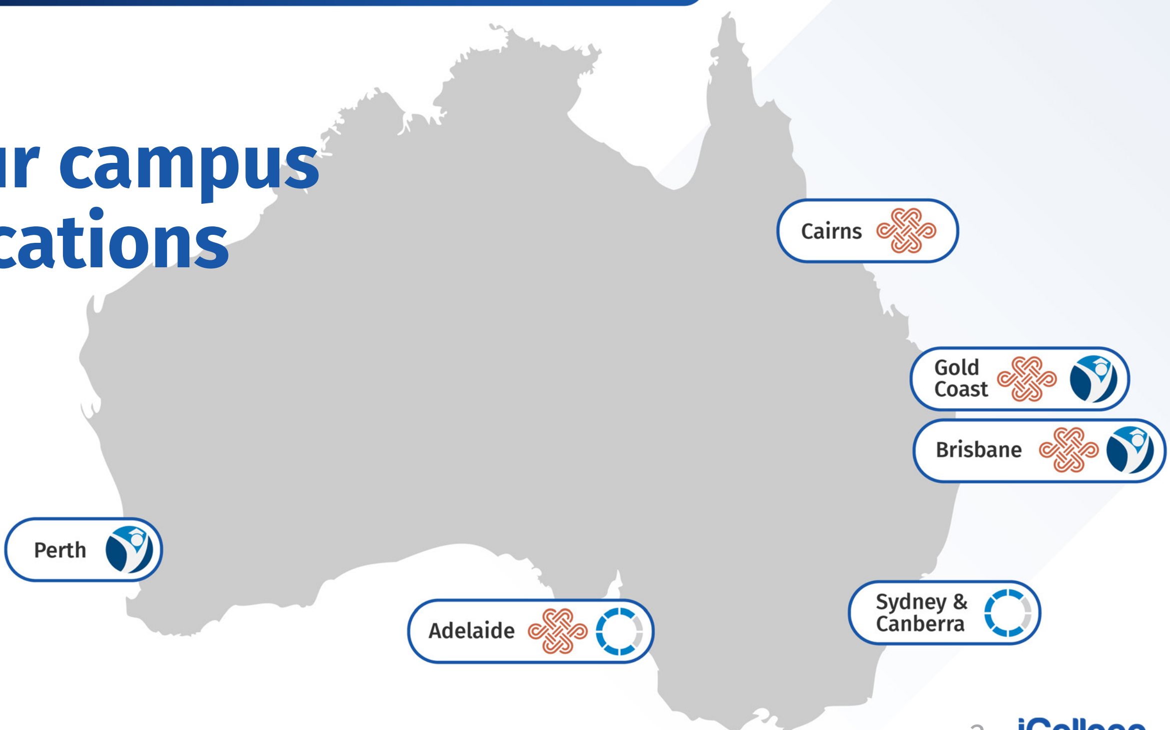
SECTOR
English Language Testing

/the hacking school/

STUDENT MARKET
Domestic & international

SECTOR
Information Technology

Our campus locations



02 \\ CHAIRMAN'S LETTER

Dear fellow shareholders,

I am delighted to present this year's annual report for the 2021 financial year (FY2021) – one in which iCollege Limited (**iCollege** or **the Company**) delivered outstanding results which are best reflected in our record financial performance, share price appreciation, funding support, solid operational performance, organic growth and success with mergers and acquisitions.

Given these results were achieved during an ongoing global pandemic, our performance is all the more remarkable.

Underpinned by a stable and growing domestic training business, which is continuing to trade very well, we delivered record financial results with revenue of $16.3 million and normalised earnings before interest, tax, depreciation and amortisation (EBITDA) of $2.9 million. We ended the year with a very solid net cash position.

Given the ongoing restrictions placed on the company due to international border closures, we continued to place greater emphasis on strengthening our domestic training business by capitalising on the upskilling and reskilling that is occurring in Australian labour markets; we quickly and effectively responded to changes in regulatory requirements; pivoted to online delivery when needed and expanded our capacity by opening new campuses such as the state-of-the-art facility at Bayswater in Western Australia.

The international student market obviously remained a challenge for us, however, with a cohort of foreign students staying in Australia, and by providing flexible learning solutions that has allowed some students to continue their courses overseas until they can return to Australia, we have successfully maintained a presence in this market, and we are exceptionally well-placed when borders open.

iCollege's success in FY2021 is also well reflected in the support we have received from shareholders and new investors. During the year, we witnessed a considerable appreciation in the Company's market capitalisation, evidence of the fact that investors are buying into our growth strategy and we were fortunate to be able to broaden our investor base with a very well supported and over-subscribed $5.5 million placement.

With a stronger balance sheet and a market capitalisation that better reflected our underlying value, iCollege became much better placed topursue value accretive transactions and take advantage of consolidation opportunities in Australia's Vocational Education and Training (VET) sector. As shareholders are aware, in March of this year we made scrip-based takeover offer for RedHill Education Limited (RedHill) with terms finally being agreed between both companies in August of this year. This is indeed a unique and timely opportunity and when the transaction is consummated in the next few months, we will have created what we believe will be Australia's leading VET business with an unrivalled domestic campus network and course offering coupled with a superior international student training operation drawing talent from across the globe.

Once successfully integrated, the combination of iCollege and RedHill will be backed by a strong balance sheet, stable and diversified earnings, an experienced and committed Board and a talented management team. These key ingredients give us the necessary foundation to continue our track record of successful organic growth and by pursuing strategic acquisitions that are immediately earnings per share accretive.

"iCollege is in excellent shape and we are well-placed for continued success in the coming year"

Chairman's letter (continued)

A favourable outlook

With the help of vaccines, tracking and tracing technologies and social distancing measures, many countries throughout the world are now opening up their economies, and Australia will become no exception to this as calendar year 2021 ends and we enter 2022.

Whilst our expanded domestic training operations will continue to grow as we realise the benefits from new course offerings and the scale that the RedHill business brings, the opportunity that awaits iCollege with the opening of international borders is unprecedented and somewhat unique for a handful of industries, ours clearly being one. I am confident that this will translate into significant value creation for our shareholders, greater employment opportunities for our people, and more international students recognising that Australia has one of the best education offerings and associated infrastructure in the world. In short, we are without doubt an outstanding reopening play.

iCollege is in excellent shape and we are well-placed for continued success in the coming year. As shareholders, you can be absolutely assured that your Board will continue to provide the necessary guidance and support to management, so they deliver the best outcomes. This means actively challenging them and questioning them on operations and strategy, not just box ticking.

I would like to take this opportunity to thank all our stakeholders – being staff, my fellow directors and senior management, students, advisors, and shareholders – for your ongoing support and contribution to our success this year. We look forward to capitalising on our strong position and benefiting from the increasingly favourable market conditions to deliver another year of growth.

Thank you.

SIMON TOLHURST

Chairman

03 \\ FY2021 HIGHLIGHTS

Record revenue

Revenue increased by 51% in FY2021 to **$16.3m**

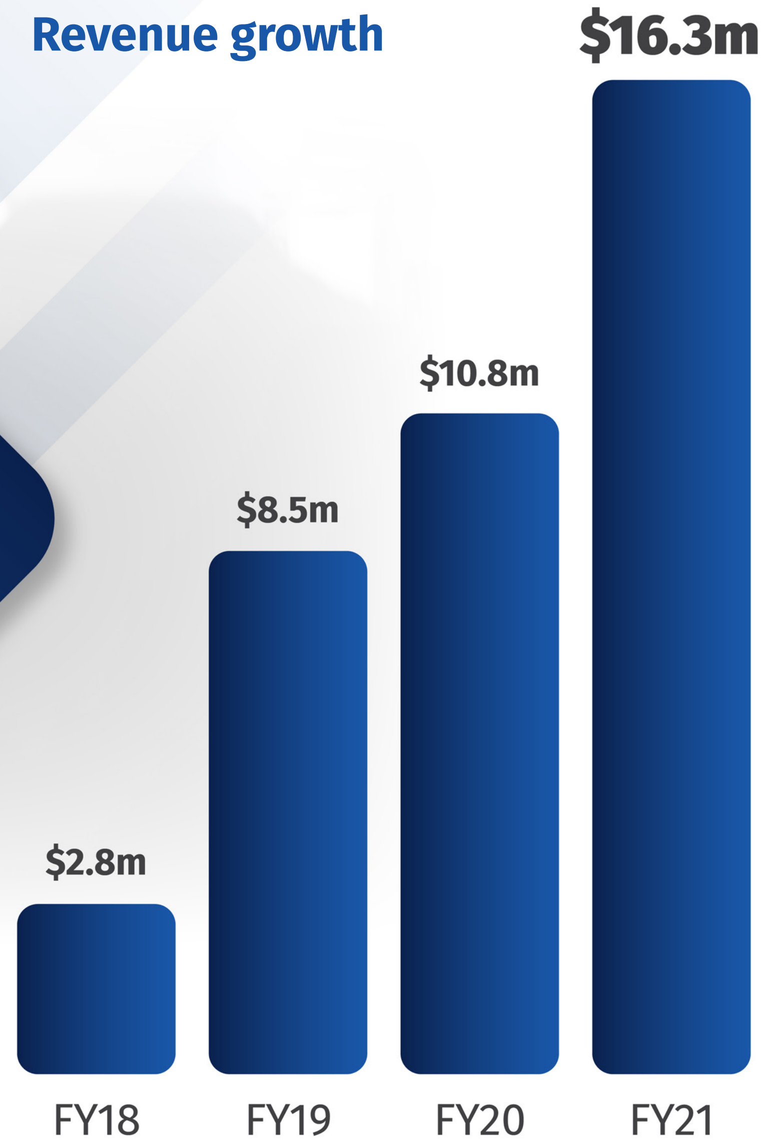
Strong cash balance

Over subscribed **$5.5m** placement to support growth

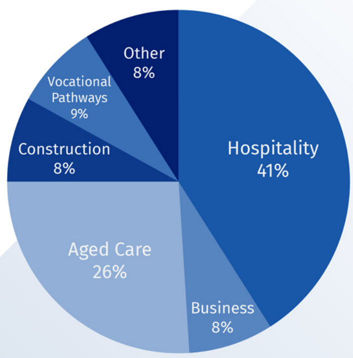
Record EBITDA

Normalised EBITDA of **$2.9m** driven by greater emphasis on domestic training market

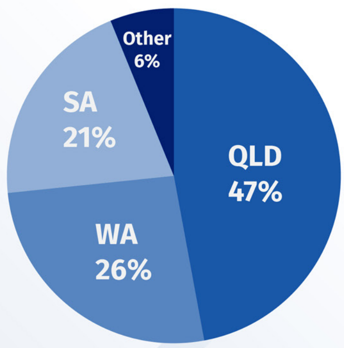
04 \\ REVENUE BREAKDOWN



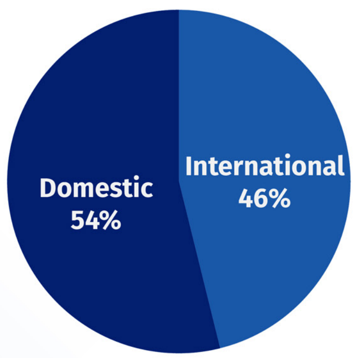
Revenue by sector



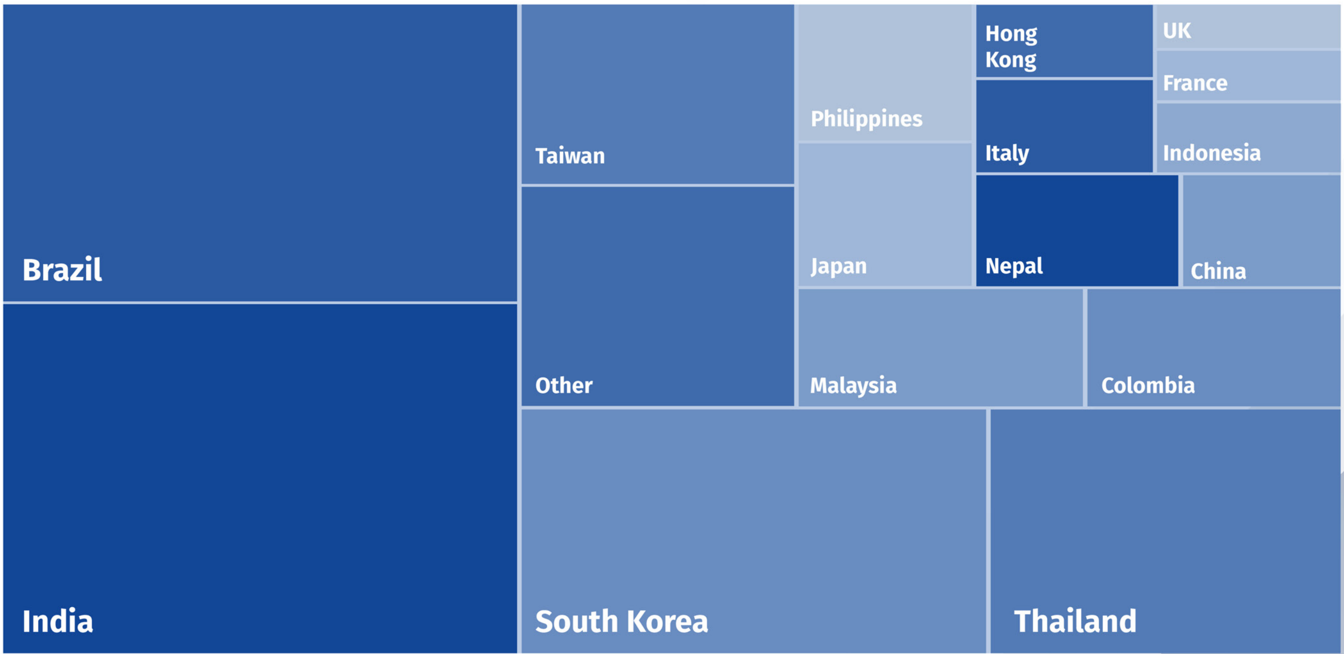
Revenue by state



Revenue by domicile



International student diversity



05 \\ FINANCIAL REPORT

01 Directors' report

For the year ended 30 June 2021

Your directors present their financial report on the consolidated entity consisting of iCollege Limited (**iCollege** or **the Company**) and its controlled entities (**Group**) for the financial year ended 30 June 2021.

1. DIRECTORS

The names of Directors during the financial year and up to the date of this report are:

Simon Tolhurst	Non-executive Chairman
Ashish Katta	CEO & Managing Director
Badri Gosavi	CFO & Executive Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. For additional information of Directors including details of the qualification of Directors please refer to Section 2: Information on directors.

2. INFORMATION ON DIRECTORS

Simon Tolhurst

Non-executive Chairman (Non-independent)

Qualifications

Bachelor or Laws

Master of Laws (Hons)

Grad Dip Legal Practice

Solicitor to Supreme Court Queensland

Solicitor High Court of Australia

Experience

Mr Tolhurst is a Partner in HWL Ebsworth's Brisbane office and has over 25 years of legal practice.

Named in The Australian Financial Review's Best Lawyers™ as on of Australia's best lawyers in the Litigation category.

Recognised in Doyle's Guide as a Leading Commercial Litigation & Dispute Resolution Lawyer.

Member of the HWL Ebsworth National Competition Law and Anti-Trust Group that was recenetly recognised as a leading firm by both Chambers and Legal 500.

Experience includes directorship on a number of private companies including those in the transport industry, oil & gas industry and coal industry,

A cricket tragic and was a member of the successful Australian Lawyers cricket team that won the Lawyers World Cup cricket tournament in Sri Lanka in 2017.

Other current directorships

None

Former directorships (in the last 3 years)

None

Interest in shares

7,155,467 Ordinary Shares

Interest in options

None

Ashish Katta

CEO & Managing Director (Non-independent)

Qualifications

Member of Australian Institute of Company Directors (MAICD)

Master of Business Administration (MBA)

Experience

Mr Katta began his career in the education indsutry in 2011, growing his experience across various roles including trainer, training manager, operations manager and general manager.

In 2015, Mr Katta founded Sero Institute which was acquired by iCollege in 2018 as part of the Manthano acquisition.

Mr Katta brings to iCollege a vast network and extraordinary level of experience in the vocational education sector.

Other current directorships

None

Former directorships (in the last 3 years)

None

Interest in shares

56,550,000 Ordinary Shares

Interest in options

None

01 Directors' report

For the year ended 30 June 2021

2. INFORMATION ON DIRECTORS (continued)

Badri Gosavi

CFO & Executive Director (Non-independent)

Qualifications

Bachelor of Business

Experience

Finance specialist & entrepeneur.

Accomplished restaurantuer having successfully developed multiple restaurant and takeaway business concepts.

Mining interests in Zambia in joint venture with MMG & Rio Tinto.

Mr Gosavi has dual qualifications in finance & accounting from Edith Cowan University in Perth.

Mr Gosavi came to Australia as an international student and has walked the pathway to success.

Other current directorships

None

Former directorships (in the last 3 years)

None

Interest in shares

12,000,000 Ordinary Shares

Interest in options

None

01 Directors' report

For the year ended 30 June 2021

Stuart Usher

Company Secretary

Qualifications

B.Bus, CPA, Grad Dip CSP, MBA, AGIA, ACIS

Experience

Mr Usher is a CPA and Chartered Company Secretary with 25 years of extensive experience in the management and corporate affairs of public listed companies. He holds an MBA from the University of Western Australia and has extensive experience across many industries focusing on Corporate & Financial Management, Strategy & Planning, Mergers & Acquisitions and Investor Relations & Corporate Governance.

Dividends paid or recommended

There were no dividends paid or recommended during the financial year ended 30 June 2021.

Significant changes is the state of affairs

There have been no significant changes in the state of affairs of the Group during the financial year ended 30 June 2021 other than disclosed elsewhere in this Annual Report.

01 Directors' report

For the year ended 30 June 2021

3. OPERATING AND FINANCIAL REVIEW

PRINCIPAL ACTIVITIES

iCollege Limited (iCollege or the Company) is a vocational training provider that comprises of six businesses which deliver accredited and non-accredited vocational education and training solutions throughout Australia and internationally. iCollege currently has four Registered Training Organisations (RTO) based in Australia and an English language testing business partnered with Cambridge Assessment English.

The iCollege training scope assists people looking to develop essential skills and knowledge required to gain employment and advance their careers across a range of industry sectors including construction, aged care, disability, hospitality, business, information technology, English language and health & fitness.

iCollege is approved to train both domestic and international students throughout Australia. iCollege currently provides training to a range of existing workers, job seekers and school leavers throughout eight campuses in Sydney, Brisbane, Gold Coast, Perth, Adelaide and Canberra. iCollege currently holds state government funded training contracts in Queensland, South Australia, Australian Capital Territory, New South Wales and Western Australia providing the business with a significant national footprint for domestic training.

iCollege currently operates four campuses approved by the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) with allocation for 1,760 students. The CRICOS approved campuses are in Brisbane, Gold Coast and Perth.

FINANCIAL REVIEW

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The group recorded a profit after tax for the year of $308,095 (2020: $2,640,237 loss).

The Group's revenue increased an impressive 51% to $16,290,197 (2020: $10,806,163) driven by strong enrolments and expansion of the existing operations.

The net assets of the Group have increased from 30 June 2020 by $5,637,844 to $1,987,311 at 30 June 2021 (2020: $3,650,533 net liabilities).

As at 30 June 2021, the Group's cash and cash equivalents increased from 30 June 2020 by $3,703,965 to $4,548,855 (2020: $844,890) and had a working capital surplus of $1,708,652 (2020: $3,301,197 working capital deficit). Please refer to the Operations Review for additional business segment performance.

OPERATIONAL REVIEW

The COVID 19 pandemic continued to cause disruptions through FY2021 causing a number of operational challenges to iCollege and the education industry overall. Despite the challenges, the Group managed to deliver the strongest financial performance till date. This growth has been fuelled by the continued growth of the Group's domestic operations delivering employment-based skills training to Australians and Permanent Residents. The Board of iCollege, after its restructure in 2018 (post Manthano acquisition), had put a robust risk management plan in place to counter against any downturn in international students due to immigration risk. This ensured the continued growth in the domestic sector and less reliance on international students compared to its peers. The Group further utilised its campus networks and state funding contracts to increase domestic market share while maintaining a reasonable flow of onshore international students that are already in Australia.

The off-market takeover offer for RedHill Education Limited (ASX: RDH) was a significant development that puts iCollege in the forefront of industry consolidation in the Vocational Education and Training (VET) sector in Australia. A non-binding term sheet was entered into on the 28 June 2021 in order for both companies to conduct due diligence and understand the contribution of each business to a merged entity. Later in the year, the Group agreed to an increase of the share exchange ratio for its Off-Market Takeover Offer from 7.6 to 9.5 iCollege shares for each RedHill Education share.

3. OPERATING AND FINANCIAL REVIEW (continued)

OPERATIONAL REVIEW (continued)

Following is a more detailed summary of progress and development for FY2021.

Growth and diversification of domestic training offerings

Several new and innovative domestic training qualifications resulted from the Group's redirected focus towards growing domestic student enrolments and expanding its in-demand course offerings. The benefits of this renewed focus were evident with record domestic student enrolment numbers achieved across the aged care and community service qualifications.

Against the backdrop of the COVID-19 pandemic, the Group established and developed three new infection control training programs. These offerings provided much needed training packages across the in-demand sector and included:

- the ongoing roll-out of the training program with the Pharmacy Guild of Australia to provide training to staff at 5,800 member pharmacies across Australia
- contract with Aegis Aged Care Group Pty Ltd, Australia's largest age care group to train their 3,400 staff on infection control

In addition to these new courses, existing offerings in aged care, hospitality, building and construction, community services and healthcare continue to experience strong enrolments as domestic students look to reskill.

The Federal Government's $1 billon Job Trainer Fund initiative was launched during the year as part of economic response to the COVID-19 pandemic. iCollege was an immediate beneficiary of this initiative due to its near unrivalled geographic footprint of well-established campuses across Australia and participation in a significant number of State Government funding contracts.

The new Western Australian campus was completed and officially opened by The Mayor of the City of Bayswater on 12 May 2021. The official opening was well received and attended by the Group's extensive network of agents, partners, suppliers, and Government representatives. The new facility has convenient access to public transport, a fully equipped commercial training kitchen, state-of-the-art skills lab for aged care training and spacious classrooms. The campus increases the capacity to deliver practical training to both domestic and international students alike and has approval to accommodate up to 360 international students.

The Group entered into a heads of agreement for the development of a second purpose-built campus in the Brisbane CBD. This new facility is expected to be completed during H1 FY2022. The Brisbane CBD campus will be fully equipped with a commercial kitchen, skills lab for aged care training, multipurpose rooms, classrooms and is conveniently located in the Brisbane CBD and has easy access to public transport.

The Group is currently working on building a traineeship and apprenticeship division as a priority and expects to see strong enrolments during Q1 FY2022.

International student operations

With international borders closed and travel restrictions remaining in place, iCollege managed to and continues to effectively market to the Onshore international students that are currently present in Australia. International student enrolments have historically accounted for approximately 50% of total revenue, and this figure remained steady at 46.3% during the year. iCollege has managed to do so by leveraging off its significant student recruitment networks and also by providing outcome-based qualifications that result in employment or provide migration pathways.

3. OPERATING AND FINANCIAL REVIEW (continued)

OPERATIONAL REVIEW (continued)

As a result of policy changes for offshore international students, the Students are able to commence their course whilst living in their country of origin, and then complete the remainder of their course work in Australia once border restrictions are lifted. This arrangement accords with Minister Tudge's announcement allowing students to begin training in their home countries, with the time spent undertaking their coursework in their country of origin. This will be counted towards the 2-year onshore study pre-condition for graduate visa (Subclass 485) eligibility. This Visa allows students to work for a period of 2 years post study in Australia to gain work experience. This greatly benefits the students currently enrolled with iCollege as most of the courses are geared towards employment outcomes.

The Group's resilience during these extraordinary times can be attributed to its ability to manage and preserve its international student business despite the effects of the COVID-19 pandemic on the sector. Together with the expanded capacity of the new Bayswater and proposed Brisbane CBD campuses, iCollege is in a strong position to immediately capitalise when international borders open to the offshore international student community.

EVENTS SUBSEQUENT TO REPORTING DATE

iCollege and RedHill Education Limited ("RedHill") announced to the ASX on 12 August 2021 that an offer from iCollege to acquire RedHill shares has been unanimously recommended by RedHill's Board of Directors, subject to there being no superior proposal. The iCollege offer is for 9.5 iCollege shares for each RedHill share. Following mutual due diligence, the businesses have executed a Bid Implementation Agreement ("BIA") to complete the proposed transaction by an off-market takeover. In the event the takeover does not successfully complete, a Scheme Implementation Deed is proposed to be executed on terms similar to the BIA based on iCollege's closing share price of $0.130 per share on 11 August 2021. This implies a value of $1.235 per RedHill share representing a premium in the range of 53.4% to 61.4% on relative timeframes (last close on 25 June 2021, 1-month and 3-month VWAP to this date and the undisturbed price on 11 December 2020.

The key conditions of the offer include a minimum acceptance condition of 90%; receipt of regulatory approvals; no prescribed occurrences; no material adverse change. The BIA includes a customary deal protection for ICT including a break fee, no shop, no talk, exclusivity, and a right to match competing proposals (subject to usual fiduciary carve-outs).

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations have not been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL REGULATIONS

The Group's operations are not subject to significant environmental regulations in the jurisdictions it operates in, namely Australia.

The Directors have considered the enacted *National Greenhouse and Energy Reporting Act 2007* (the NGER Act) which introduced a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the Directors have determined that the NGER Act has no effect on the Company for the current, nor subsequent, financial year. The Directors will reassess this position as and when the need arises.

3. OPERATING AND FINANCIAL REVIEW (continued)

INDEMNIFYING OFFICERS OR AUDITOR

Indemnification

The Company has agreed to indemnify all the Directors of iCollege for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

Insurance premiums

During the year the Company paid insurance premiums to insure directors and officers against certain liabilities arising out of their conduct while acting as an officer of the Group. In accordance with the policy, the amount of premium cannot be disclosed.

OPTIONS

Unissued shares under option

At the date of this report, the unissued ordinary shares of the Company under option (listed and unlisted) are as follows:

Grant date	Date of expiry	Exercise prices	Number under option
10/07/20	10/07/23	$0.05	10,000,000
09/11/20	09/11/23	$0.15	12,000,000
09/11/20	09/11/23	$0.15	3,000,000
20/05/21	09/11/23	$0.15	2,000,000

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Shares issued in exercise of options

No ordinary shares have been issued by the Company during the financial year as a result of the exercise of options (2020: Nil).

01 Directors' report

For the year ended 30 June 2021

3. OPERATING AND FINANCIAL REVIEW (continued)

NON-AUDIT SERVICES

During the year, Hall Chadwick WA Audit Pty Ltd (formerly Bentleys Audit and Corporate (WA) Pty Ltd), the Company's auditor, provided no services in addition to their statutory audits. Non-audit fees amounted to $Nil (2020: $Nil). Details of remuneration paid to the auditor can be found within the financial statements at Auditors Remuneration on Page 78.

In the event that non-audit services are provided by Hall Chadwick WA Audit Pty Ltd, the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the *Corporations Act 2011 (Cth)*. These procedures include:

a. non-audit services will be subject to the corporate governance procedures adopted by the Company and will be reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and

b. ensuring non-audit services do not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001 (Cth)* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001 (Cth).*

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 (Cth) for the year ended 30 June 2021 has been received and can be found on Page 26 of the annual report.

MEETINGS OF DIRECTORS

During the financial year, 10 meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year are stated in the following table.

	Directors' meetings		Remuneration & nomination committee		Finance and operations committee		Audit committee	
	Number of eligible to attend	Number attended	Number of eligible to attend	Number attended	Number of eligible to attend	Number attended	Number of eligible to attend	Number attended
Simon Tolhurst	10	10						
Ashish Katta	10	10						
Badri Gosavi	10	10						

At the date of this report, the Audit, Nomination, and Finance and Operations Committees comprise the full Board of Directors. The Directors believe that Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of these separate committees. Accordingly, all matters capable of delegation to such committees are considered by the full Board of Directors.

4. REMUNERATION REPORT (AUDITED)

The information in this remuneration has been audited as required by s308(3C) of the *Corporations Act 2001 (Cth)*.

For the purposes of this report Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company and all KMP. KMP comprise the directors of the Company and key executive personnel:

Simon Tolhurst	Non-executive Chairman
Ashish Katta	CEO & Managing Director
Badri Gosavi	CFO & Executive Director

4.1 PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

a. Remuneration governance

Due to the present size of the Company and of its operations and financial affairs, the use of a separate remuneration committee is not considered appropriate. The Board has adopted the following policies for Directors' and Executives' remuneration.

To assist the Board to fulfil its function as the Remuneration Committee, the Board has adopted a Remuneration Committee Charter.

Remuneration of Directors and senior management is determined with regard to the performance of the Company, the performance and skills and experience of the particular person and prevailing remuneration expectations in the market. Details of remuneration of Directors and Key Management Personnel (KMP) are disclosed in the Remuneration Report. The performance and remuneration of the senior management team will be reviewed in the future at least annually.

Executives are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

b. Remuneration committee

Currently the responsibilities of the Remuneration Committee are undertaken by the full Board.

The Remuneration Committee of the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the directors, the CEO and the executive team.

The Remuneration Committee of assesses the appropriateness of the nature and amount of remuneration of directors and executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality KMP.

c. Remuneration structure

In accordance with best practice Corporate Governance, the structure of non-executive director and executive remuneration is separate and distinct.

4. REMUNERATION REPORT (AUDITED) (continued)

i) Non-executive director remuneration

Non-executive Directors' fees are paid within an aggregate limit which is approved by the shareholders from time to time. This limit is currently set at $260,000. Any newly appointed non-executive Directors will serve in accordance with a standard service contract, drafted by the Company's lawyers, which sets out remuneration arrangements. There are no termination or retirement benefits for non-executive Directors (other than for superannuation). Non-executive Directors may be offered options as part of their remuneration, subject to shareholder approval.

The remuneration of non-executive directors for the period ended 30 June 2021 is detailed in Section 2 of this remuneration report.

ii) Executive remuneration

Senior executives, including Executive Directors, are engaged under the terms of individual employment contracts. Such contracts are based upon standard terms drafted by the Company's lawyers. Executive Directors do not receive any directors' fees an addition to their remuneration arrangements. Base salary or consulting fees are set to reflect the market salary for a position and individual of comparable responsibility and experience. Base salary or consulting fees are regularly compared with the external market and during recruitment activities generally. It is the policy of the Company to maintain a competitive salary structure to ensure continued availability of experienced and effective management and staff.

Executives are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

Details of the nature and amount of each element of each Director, including any related company and each of the officers of the Company receiving the highest emoluments are detailed in Section 2 of this remuneration report.

d. Fixed remuneration

Fixed remuneration is reviewed annually by the Board. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external independent advice where necessary.

Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group.

The fixed remuneration component of the company executives is detailed in Section 2 of this remuneration report.

e. Variable remuneration

The aggregate of annual payments available for KMP across the Group is subject to the approval of the Remuneration Committee during the year.

4. REMUNERATION REPORT (AUDITED) (continued)

f. Performance based remuneration - short-term and long-term incentive structure

The Board will review short-term and long-term incentive structures from time to time. Any incentive structure will be aligned with shareholders' interests.

i) Short-term incentives

No short-term incentives in the form of cash bonuses were granted during the year.

ii) Long-term incentives

The Board has a policy of granting incentive options and performance rights to KMP with exercise prices above market share price. As such, incentive options granted to executives will generally only be of benefit if the executives perform to the level whereby the value of the Group increases sufficiently to warrant exercising the incentive options granted.

The executive Directors will be eligible to participate in any short-term and long-term incentive arrangements operated or introduced by the Company (or any subsidiary) from time to time.

g. Service agreements

Remuneration and other terms of employment for the directors and other KMP are formalised in contracts of employment.

1. Ashish Katta - CEO & Managing Director

Ashish Katta entered into an Executive Services Agreement (ESA) on 12 February 2018 with the Company to be employed as CEO and Managing Director upon and subject to terms and conditions of the ESA. On 1 January 2021, Mr Katta signed a variation agreement as detailed in (A)(i) below. The key terms of these agreements are disclosed below:

A. Remuneration

i. Mr Katta received director fees of $106,763 up to 31 December 2020. Effective 1 January 2021, director fees increased and fees up to 30 June 2021 amounted $152,277. Total director fees for year ended 30 June 2021 amounted to $259,040. The director fees will be reviewed annually by the Company.

ii. Mr Katta will not receive any further fees in addition to the director fees from the Company during such period as Mr Katta serves as a director of the Company as determined by the Board.

iii. In addition, subject to company profitability and breakeven during the term of the ESA, pay Mr Katta a performance-based bonus of an amount to be determined by the Board. In determining the extent of any performance-based bonus, the Company shall take into consideration the Key Performance Indicators (KPI) of Mr Katta and the Company, as the Company may set from time to time and any other matter that it deems appropriate.

iv. The Company will reimburse Mr Katta for all reasonable travelling interstate, interstate or overseas accommodation and general expenses incurred in the performance of all duties in connection with the business of the Company and its related bodies corporate.

v. Mr Katta is entitled to all leave in accordance with the National Employment Standard (NES) and Queensland long service leave legislation.

4. REMUNERATION REPORT (AUDITED) (continued)

B. Termination by the Company without reason

The Company may, at its sole discretion, terminate employment by giving twelve months’ written notice and at the end of that notice period, making a payment to Mr Katta equal to the salary payable over a twelve-month period. The Company may elect to pay Mr Katta the equivalent of the twelve months’ salary and dispense with the notice period.

The Company may also terminate on the basis of performance and unsatisfactory performance against performance indicators if for a period of not less than six months the performance has not improved. The company may terminate after this period without any further notice.

C. Termination by Ashish Katta

Mr Katta may, at his sole discretion, terminate the Employment in the following manner:

i. if at any time the Company commits any serious or persistent breach of any of the provisions contained in the ESA and the breach is not remedied within 28 days of receipt of written notice from Mr Katta to the Company to do so, by giving notice effective immediately; or

ii. by giving twelve months’ written notice to the Company.

4. REMUNERATION REPORT (AUDITED) (continued)

2. Badri Gosavi - CFO & Executive Director

Badri Gosavi agreed to enter into an Executive Services Agreements (ESA) with the Company, as a CFO and Executive Director upon and subject to the terms and conditions of the ESA. On 1 January 2021, Mr Gosavi signed a variation agreement as detailed in (A)(i) below. The key terms of the agreements will be as follows:

A. Remuneration

i. Mr Gosavi received director fees of $106,763 up to 31 December 2020. Effective 1 January 2021, director fees increased and fees up to 30 June 2021 amounted to $152,277. Total director fees for year ended 30 June 2021 amounted to $259,040. The director fees will be reviewed annually by the Company.

ii. Mr Gosavi will not receive any further fees in addition to the director fees from the Company during such period as Mr Gosavi serves as a director of the Company as determined by the Board.

iii. In addition, subject to company profitability and breakeven during the term of the ESA, pay Mr Gosavi a performance-based bonus of an amount to be determined by the Board. In determining the extent of any performance-based bonus, the Company shall take into consideration the Key Performance Indicators (KPI) of Mr Gosavi and the Company, as the Company may set from time to time and any other matter that it deems appropriate.

iv. The Company will reimburse Mr Gosavi for all reasonable travelling interstate, interstate or overseas accommodation and general expenses incurred in the performance of all duties in connection with the business of the Company and its related bodies corporate.

v. Mr Gosavi is entitled to all leave in accordance with the National Employment Standard (NES) and Queensland long service leave legislation.

B. Termination by the Company without reason

The Company may, at its sole discretion, terminate employment by giving twelve months' written notice and at the end of that notice period, making a payment to Mr Gosavi equal to the salary payable over a twelve-month period. The Company may elect to pay Mr Gosavi the equivalent of the twelve months' salary and dispense with the notice period.

The Company may also terminate on the basis of performance and unsatisfactory performance against performance indicators if for a period of not less than six months the performance has not improved. The company may terminate after this period without any further notice.

C. Termination by Badri Gosavi

Mr Gosavi may, at his sole discretion, terminate the Employment in the following manner:

i. if at any time the Company commits any serious or persistent breach of any of the provisions contained in the ESA and the breach is not remedied within 28 days of receipt of written notice from Mr Gosavi to the Company to do so, by giving notice effective immediately; or

ii. by giving twelve months' written notice to the Company.

4. REMUNERATION REPORT (AUDITED) (continued)

h. Engagement of remuneration consultants

During the financial year, the Company engaged Remuneration Strategies Pty Ltd as a remuneration consultant. Fees amounting to $9,350 (inclusive of GST) were paid to the consultant for preparation of the remuneration report. No other services were provided by the consultant.

i. Relation between remuneration of KMP and earnings

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. Remuneration has not been linked to performance. The historical details in relation to the Group's performance has also not been disclosed on this basis.

j. Voting and comments made at the Company's 2020 annual general meeting (AGM)

At the Annual General Meeting held on 29 January 2021, the Company received 89,401,666 (77.89%) **For** votes and 25,378,134 (22.11%) **Against** votes and Nil **Abstain** votes no its remuneration report for the 2020 financial year.

4.2 DIRECTORS AND KMP REMUNERATION

Details of the remuneration of the Directors and KMP of the Group (as defined in AASB 124 Related Party Disclosures) are set out in the following table.

2021	Short-term benefits	Post-employment benefits	Equity-settled share-based payments	
KMP	Salary, fees and leave $	Superannuation $	Equity $	Total $
Simon Tolhurst[1]	-	-	80,000	**80,000**
Ashish Katta	259,040	-	-	**259,040**
Badri Gosavi	259,040	-	-	**259,040**
	518,080	-	**80,000**	**598,080**

1 Mr Tolhurst has elected to receive ordinary shares in lieu of director fees, approved by shareholders at each AGM. The above reflects the accrual for shares to be approved at the 2021 AGM.

2020	Short-term benefits	Post-employment benefits	Equity-settled share-based payments	
KMP	Salary, fees and leave $	Superannuation $	Equity $	Total $
Simon Tolhurst[1]	-	-	50,000	**50,000**
Ashish Katta	195,603	9,610	-	**205,213**
Badri Gosavi	164,938	-	-	**164,938**
	360,541	**9,610**	**50,000**	**420,151**

1 Mr Tolhurst has elected to receive ordinary shares in lieu of director fees, approved by shareholders at each AGM.

4. REMUNERATION REPORT (AUDITED) (continued)

4.3 SHARE-BASED COMPENSATION

The Group believes that encouraging its directors and executives to become shareholders is the best way of aligning their interests with those of its shareholders. At present the Group does not have an employee share option plan.

Nil shares were issued as a share-based compensation during the year (2020: 877,193 shares).

There were no equity instruments issued during the year to Directors as a result of options exercised that had previously been granted as compensation.

a. Securities received that are not performance-related

No members of the KMP are entitled to receive securities that are not performance-based as part of their remuneration package.

4.4 KMP EQUITY HOLDINGS

a. Fully paid ordinary shares of iCollege Limited held by each KMP

The number of ordinary shares in the Company held during the financial year by each Director of iCollege Limited and any other KMP of the Company, including their personally related parties, are as follows:

There were nil shares granted to Directors (2020: 877,193 shares). There were no shares issued upon exercise of options (2020: Nil).

2021	Balance at the start of the year	Received during the year as compensation	Other changes during the year	Balance at the end of the year
KMP	No.	No.	No.	No.
Simon Tolhurst[1]	7,015,467	-	140,000	7,155,467
Ashish Katta	73,050,000	-	(16,500,000)	56,550,000
Badri Gosavi	10,000,000	-	2,000,000	12,000,000
	90,065,467	-	**(14,360,000)**	**75,705,467**

1 Other changes during the year related to shares purchased on market

2020	Balance at the start of the year	Received during the year as compensation	Other changes during the year	Balance at the end of the year
KMP	No.	No.	No.	No.
Simon Tolhurst[1]	5,774,637	877,193	363,637	7,015,467
Ashish Katta	73,050,000	-	-	73,050,000
Badri Gosavi	10,000,000	-	-	10,000,000
	88,824,637	**877,193**	**363,637**	**90,065,467**

1 Other changes during the year related to shares purchased on market

4. REMUNERATION REPORT (AUDITED) (continued)

b. Options in iCollege Limited held by each KMP

There are currently no options over ordinary shares in the Company held during the financial year by each Director of iCollege Limited and any other KMP of the Group, including their personally related parties.

4.5 OTHER EQUITY-RELATED KMP TRANSACTIONS

There have been no other transactions involving equity instruments other than those described in the tables above relating to options, rights and shareholdings.

4.6 OTHER TRANSACTIONS WITH KMP AND OR THEIR RELATED PARTIES

There is a loan outstanding payable to Mr Ashish Katta of $380,000 at the year-end (2020: $484,724) being an amount payable as a result of an equity sell-down completed pre-acquisition. No interest is accrued on the loan and will be repaid to him as and when he provides notice to the company subject to available cash and sufficient working capital remaining in the company.

There is a loan outstanding receivable from Sero Learning Pty Ltd, of which Mr Ashish Katta is a Director of $261,302 (2020: $172,169). There is a right of set-off in place on which the amount is net off against the amount owing to Ashish Katta. This results in a net payable of $118,698 (2020: $312,555).

There was a loan payable to Mr Badri Gosavi of $13,781 in financial year ended 30 June 2020. This was fully paid on 1 September 2020. There is currently no loan payable to Mr Badri Gosavi as at 30 June 2021.

HWL Ebsworth, a company associated with Mr Simon Tolhurst, charged fees amounting to $20,076 for providing legal services during the year ended 30 June 2021 (2020: $26,505).

There have been no other transactions in addition to those described above or as detailed in the Related Party Transactions note.

END OF REMUNERATION REPORT

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001 (Cth).*

ASHISH KATTA
CEO & Managing Director
Dated this Thursday, 30 September 2021

02 Auditor's independence declaration

For the year ended 30 June 2021

HALL CHADWICK

To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit partner for the audit of the financial statements iCollege Limited for the financial year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

DOUG BELL CA
Partner

Dated this 30th day of September 2021

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03 Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2021

	Note	2021 $	2020 $
Revenue from continuing operations	3.1	16,290,197	10,806,163
Cost of sales		(7,823,908)	(6,162,888)
Gross profit		**8,466,289**	**4,643,275**
Other income	3.2	969,257	632,683
Professional services expenses		(91,883)	(81,575)
Compliance		(158,466)	(100,878)
Consultant fees		(1,527,438)	(727,992)
Depreciation		(821,001)	(770,047)
Amortisation of intangible assets		(615,665)	(615,666)
Non-executive director fees		(80,000)	(47,500)
Doubtful debts		(265,218)	(677,404)
Employment expenses		(3,422,556)	(2,892,508)
Interest expense		(391,724)	(379,652)
Legal fees		(376,032)	(88,994)
Marketing expenses		(251,395)	(224,550)
Occupancy expenses		(203,386)	(587,515)
Travel expenses		(149,394)	(169,831)
Other expenses		(889,026)	(721,391)
Profit / (loss) before tax		**192,362**	**(2,809,545)**
Income tax benefit	4	115,733	169,308
Net profit / (loss) for the year		**308,095**	**(2,640,237)**
Other comprehensive income for the year net of tax		-	-
Total comprehensive income attributable to members of the parent entity		**308,095**	**(2,640,237)**
Earnings per share:			
Basic profit/(loss) per share (cents per share)	18.4	0.0543¢	(0.502¢)
Diluted profit/(loss) per share (cents per share)	18.4	0.0534¢	(0.502¢)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

04 Consolidated statement of financial position

For the year ended 30 June 2021

	Note	2021 $	2020 $
Current assets			
Cash and cash equivalents	5.1	4,548,855	844,890
Trade and other receivables	5.2	1,107,821	523,239
Inventories	6.1	179,189	216,275
Other assets	5.3	779,456	257,182
Total current assets		**6,615,321**	**1,841,586**
Non-current assets			
Plant and equipment	6.2	496,990	151,990
Right of use asset	6.3	3,198,923	1,425,159
Intangible assets	6.4	2,247,885	2,855,550
Total non-current assets		**5,943,798**	**4,432,699**
Total assets		**12,559,119**	**6,274,285**
Current liabilities			
Trade and other payables	5.4	3,265,986	3,238,467
Unearned revenues	5.5	1,614,073	2,694,588
Borrowings	5.6	890,709	1,145,640
Leases	6.3	388,927	529,651
Short-term provisions	6.5	361,047	229,025
Total current liabilities		**6,520,742**	**7,837,371**
Non-current liabilities			
Borrowings	5.6	223,960	223,960
Deferred tax liabilities	4	622,453	782,526
Leases	6.3	3,204,653	1,080,961
Total non-current liabilities		**4,051,066**	**2,087,447**
Total liabilities		**10,571,808**	**9,924,818**
Net assets / (liabilities)		**1,987,311**	**(3,650,533)**
Equity			
Issued capital	7.1	34,194,159	29,986,452
Reserves	7.3	3,079,276	1,957,234
Accumulated losses		(35,286,124)	(35,594,219)
Total equity		**1,987,311**	**(3,650,533)**

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

05 Consolidated statement of changes in equity

For the year ended 30 June 2021

	Note	Contributed equity $	Accumulated losses $	Share-based payments reserve $	Total equity $
Balance at 1 July 2020		29,986,452	(35,594,219)	1,957,234	(3,650,533)
Profit for the year			308,095		308,095
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	308,095	-	308,095
Transactions with owners					
Shares issued at net cost	7.1	4,207,707	-	-	4,207,707
Options issued at fair value	7.2	-	-	1,122,042	1,122,042
Balance at 30 June 2021		34,194,159	(35,286,124)	3,079,276	1,987,311

	Note	Contributed equity $	Accumulated losses $	Share-based payments reserve $	Total equity $
Balance at 1 July 2019		29,951,452	(32,953,982)	1,957,234	(1,045,296)
Loss for the year		-	(2,640,237)	-	(2,640,237)
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	(2,640,237)	-	(2,640,237)
Transactions with owners					
Shares issued at net cost	7.1	35,000	-	-	35,000
Options issued at fair value	7.2	-	-	-	-
Balance at 30 June 2020		29,986,452	(35,594,219)	1,957,234	(3,650,533)

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

06 Consolidated statement of cash flows

For the year ended 30 June 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Receipts from customers		13,812,807	11,233,208
Interest received		902	1,495
Interest paid		(14,959)	(108,454)
Payment to suppliers and employees		(14,633,885)	(11,330,421)
Job Keeper, ATO Cash Flow Boost & EMDG		810,983	396,154
Net cash from / (used in) operating activities	**5.1.a**	**(24,152)**	**191,982**
Cash flows from investing activities			
Deposit paid		-	(50,000)
Bank guarantees		(361,159)	-
Purchase of plant and equipment		(380,490)	(16,763)
Net cash used in investing activities		**(741,649)**	**(66,763)**
Cash flows from financing activities			
Proceeds from loans		-	434,090
Repayment of loans		(644,552)	(334,408)
Proceeds from issue of shares		5,500,000	-
Payment of share issue costs		(385,682)	(15,000)
Proceeds from issue of convertible notes		-	500,000
Net cash provided by financing activities		**4,469,766**	**584,682**
Net increase / (decrease) in cash and cash equivalents		**3,703,965**	**709,901**
Cash and cash equivalents at the beginning of the year		844,890	134,989
Cash and cash equivalents at the end of the year	**5.1**	**4,548,855**	**844,890**

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

07 Notes to the consolidated financial statements

For the year ended 30 June 2021

1. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

a. Reporting entity

iCollege Limited (iCollege, the Group or the Company) is a listed public company limited by shares, domiciled and incorporated in Australia. These are the consolidated financial statements and notes of iCollege and controlled entities. The financial statements comprise the consolidated financial statements of the Group. For the purpose of preparing the consolidated financial statements, the Company is a for-profit entity. The Group is a for-profit entity and is primarily involved in businesses which deliver accredited and non-accredited vocational education and training solutions throughout Australia and internationally.

The separate financial statements of iCollege, as the parent entity, have not been presented with this financial report as permitted by the *Corporations Act 2001 (Cth)*.

b. Basis of accounting

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and the *Corporations Act 2001 (Cth)*.

Australian Accounting Standards Board set out accounting policies that the AAS Board has concluded would result in a financial report containing relevant and reliable information about transactions, event and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

The financial statements were authorised for issue on 30 September 2021 by the directors of the Company.

c. Going concern

The financial report has been prepared on a going concern basis, which contemplates that continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group recorded a profit after tax for the year of $308,095 (2020: $2,640,237 loss). The net assets of the Group were $1,987,311 (2020: $3,650,533 deficit). The Group's working capital surplus, being current assets less current liabilities, excluding unearned revenues was $1,708,652 (2020: $3,301,197 deficit).

During the year the company successfully raised $5,500,000 (before costs) and since the year end, has entered into an off market takeover bid to acquire up to 100% of the ordinary shares of RedHill Education Limited. Based on the cashflow forecasts prepared by management and other factors referred above, the directors are satisfied that the going concern basis of preparation is appropriate.

d. Comparative figures

Where required by AASBs, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Adoption of new and revised standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2020.

f. Standards and interpretations in issue not yet adopted

The Group has reviewed the new and revised Standards and Interpretations in issue not yet adopted for the year ended 30 June 2021. As a result of this review the Group has determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group; therefore, no change is necessary to Group accounting policies.

g. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

h. Use of estimates and judgements

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of AASBs that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the note that follows.

07 Notes to the consolidated financial statements

For the year ended 30 June 2021

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Critical accounting estimates and judgements

Management discusses with the Board the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i. Key estimate – taxation
Refer 4.9 in the Income tax note

ii. Key judgement – determining the lease term
Refer 6.3 in the leases note

iii. Key estimate – impairment of goodwill
Refer 6.4 in the intangibles assets note

iv. Key estimate – share-based payments
Refer 19 in the share-based payments note

j. Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the COVID-19 pandemic has had on the consolidated entity based on the known information. This consideration extends to the nature of the supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

k. Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable AASB.

Fair value is the price of the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly unforced transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded on an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximised the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

For non-financial assets, the fair value measurement also considers a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

l. Fair value hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- If a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- If significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e., transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- *Market approach:* valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach:* valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach:* valuation techniques that reflect the current replacement cost of an asset as its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

n. New accounting standards and interpretations not yet mandatory or early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods and have not been early adopted by the Group.

2. OTHER SIGNIFICANT ACCOUNTING POLICIES

2.1 Employee benefits

a. Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay at the reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

b. Other long-term benefits

The Group's obligation in respect of long-term employee benefits other than defined benefit plans, such as long service leave, is the amount of future benefit that employees have earned for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the Reserve Bank of Australia's cash rate at the report date that have maturity dates approximating the terms of the Company's obligations. Any actuarial gains or losses are recognised in profit and loss in the period in which they arise.

c. Retirement benefit obligations: defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions onto a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred.

d. Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of:

i. the date when the Group can no longer withdraw the offer for termination benefits; and

ii. when the Group recognises costs for restructuring pursuant to AASB 137 P*rovisions, Contingent Liabilities and Contingent Assets* and the costs include termination benefits.

In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for in the same basis as other long-term employee benefits.

e. Equity-settled compensation

The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes pricing model, considering the terms and conditions upon which the options were granted. The amount recognised is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to market conditions not being met.

2. OTHER SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest revenue is recognised on a time proportionate basis that considers the effective yield on the financial asset.

Financial expenses comprise interest expense on borrowings calculated using the effective interest method, unwinding of discounts on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method and include:

- Interest on the bank overdraft;
- Interest on short-term and long-term borrowings;
- Interest on finance leases; and
- Unwinding of the discount on provisions.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in income in the period in which they are incurred.

07 Notes to the consolidated financial statements

For the year ended 30 June 2021

3. REVENUE AND OTHER INCOME

	2021 $	2020 $
3.1 Revenue		
Course income	16,290,197	10,806,163
	16,290,197	**10,806,163**
3.2 Other income		
Interest income	902	1,495
ATO Cash Boost	252,100	135,886
Job Keeper subsidy	684,000	309,000
DIS grant	-	186,302
EMDG	32,255	-
	969,257	**632,683**

3.3 Accounting policy

a. Revenue from contract with customers

Revenue is recognised on a basis that reflects the transfer of promised good or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those good or services.

Revenue is recognised by applying a five-step process outline in AASB 15 which is as follows:

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract and determine at what point they are satisfied;

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations; and

Step 5: Recognise the revenue as the performance obligations are satisfied

Revenue is recognised when or as a performance obligation in the contract of the customer is satisfied, i.e., when the control of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation is a promise to transfer distinct goods or services (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or service taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled to base on the expected value or the most likely outcome. If the contract with the customer contains more than one performance obligation, the amount of consideration is allocated to performance obligation based on the relative stand-alone selling price of the goods or services promised in the contract. Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

3. REVENUE AND OTHER INCOME (continued)

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred overt time and revenue is recognised over time if:

i. the customer simultaneously receives and consumes the benefits provided by the Group's performance;

ii. the Group's performance creates or enhances an asset that the customer controls; or

iii. the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over this is recognised at the point in time at which the customer obtains control of the promised goods or services.

b. Student co-contribution revenue for government funded courses

Administration fee for allowing the student to perform the literacy test. Revenue recognised using the point in time recognition when the performance obligations are satisfied (i.e. when students has completed the literacy test for eligibility into the funded course enrolments are confirmed).

c. Government funded courses

Revenue recognition is when the student has successfully completed the course and has submitted the claim to the government.

d. Educational teaching revenue

Provision of vocational teaching across various course levels ranging from Certificate through to Advanced Diploma. Revenue is recognised from the commencement of the course till completion.

e. Interest income

Interest revenue is recognised in accordance with Note 3.2 Finance income and expenses.

07 Notes to the consolidated financial statements

For the year ended 30 June 2021

4. INCOME TAX

	2021 $	2020 $
4.1 Income tax expense		
Deferred tax	(115,733)	(169,308)
	(115,733)	**(169,308)**

4.2 Reconciliation of income tax expense to prima facie tax payable

The prima facie tax payable / (benefit) on profit / (loss) from ordinary activities before income tax in reconciled to the income tax expense as follows:

	2021 $	2020 $
Accounting profit / (loss) before tax	192,362	(2,809,545)
Prima facie tax on operating profit / (loss) at 26% (2020: 27.5%)	50,014	(772,625)
Add / (Less) tax effect of:		
• Other non-deductible expenses	19,216	170,048
• Non assessable income	(65,546)	(30,188)
• Impact from change in tax rate on unrecognised DTAs	222,203	-
• Deferred tax assets relating to tax losses not recognised	(125,392)	614,828
• Other temporary differences not recognised	98,767	17,937
• Benefit from movement in temporary difference	(314,995)	(169,308)
Income tax expense / (benefit) attributable to operating loss	**(115,733)**	**(169,308)**

4.3 Weighted average effective tax rate

	%	%
The applicable weighted average effective tax rates attributable to operating profit are as follows:	(60.16)	6.03

a. The tax rates used in the above reconciliations is the corporate tax rate of 26% payable by the Australian corporate entity on taxable profits under Australian tax law. The tax rate used in the previous reporting period was 27.5%.

Current tax assets

Current tax asset	-	-

4.4 Balance of franking account at year end of the parent	nil	nil

4. INCOME TAX (continued)

4.5 Current tax liabilities

Income tax payable	-	-

Deferred tax balances

At 30 June 2021, net deferred tax assets of $6,147,291 have been reversed in terms of AASB112 Income Taxes. The Company does not currently have foreseeable future taxable profits against which the deductible temporary differences and unused tax losses comprising this net deferred tax amount may be utilised.

	2021 $	2020 $
4.6 Deferred tax assets		
Tax losses	5,425,796	4,501,896
Provisions and accruals	300,841	264,182
Capital raising costs	290,185	90,168
Other	208,595	-
	6,225,417	**4,856,246**
Set-off deferred tax liabilities	(78,126)	-
Net deferred tax assets	6,147,291	4,856,246
Less deferred tax assets not recognised	(6,147,291)	(4,856,246)
Net deferred tax assets	-	-

4.7 Deferred tax liabilities

Other	700,579	782,526
	700,579	**782,526**
Set-off deferred tax liabilities	(78,126)	-
Net deferred tax liabilities	**622,453**	**782,526**

4.8 Tax losses and deductible temporary differences

Unused tax losses and deductible temporary differences for which no deferred tax asset has been recognised, that may be utilised to offset tax liabilities:

• Tax losses	20,868,449	16,370,531
	20,868,449	**16,370,531**

4.9 Key estimates and judgement

Potential deferred tax assets attributable to tax losses have not been brought to account at 30 June 2021 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

i. The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised;

ii. The company continues to comply with conditions for deductibility imposed by law; and

iii. No changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the less.

4. INCOME TAX (continued)

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates consider both the financial performance and position of the company as they pertain to current income tax legislation and the directors' understanding thereof. No adjustment has been made to pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions.

4.10 Accounting policy

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the moment expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

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 is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

i. When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

ii. When the taxable temporary difference in associated with investments in subsidiaries,associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference 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 difference and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

i. When 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; or

ii. When the deductible temporary difference is associated with investments in subsidiaries, associates or interest in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

4. INCOME TAX (continued)

The carrying amount of deferred income tax assets is reviewed at each balance 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.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that is has become probable that future taxable profit will allow the deferred tax asset to be recovered. 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 date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

iCollege Limited recognises its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Group. Any difference between the amount receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated group.

Where the Group receives the Australian Government's Research and Development Tax Incentive, the Group accounts for the refundable tax offset under AASB 112. Funds are received as a rebate through the parent company's income tax return.

5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

5.1 Cash and cash equivalents

	2021 $	2020 $
Cash at bank	4,548,855	844,890
	4,548,855	**844,890**

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 8 Financial Risk Management.

Cash flow information

	2021 $	2020 $
a. Reconciliation of cash flow from operations to loss after income tax profit/(loss) after income tax	308,095	(2,640,237)
Cash flows excluded from loss attributable to operating activities		
Non-cash flows in profit/ (loss) from ordinary activities:		
• Depreciation and amortisation	1,436,665	1,385,713
• Net share-based payments expenses	165,000	35,000
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
• Decrease / (increase) in receivables and other assets	(1,106,856)	(103,361)
• Decrease / (increase) in inventories	37,085	(216,275)
• Increase / (decrease) in payables and other liabilities	(996,164)	1,675,133
• Increase / (decrease) in provision	132,023	56,009
Cash flow from / (used in) operations	**(24,152)**	**191,982**

b. Reconciliation of liabilities arising from financing activities

	2020 $	Cash flows $	New leases $	Other[1] $	2021 $
Short-term borrowings	1,145,640	(254,931)	-	-	**890,709**
Long-term borrowings	223,960	-	-	-	**223,960**
Lease liabilities	1,610,612	(991,012)	1,977,940	966,040	**3,593,580**
Total liabilities from financing activities	**2,980,212**	**(1,254,931)**	**1,977,940**	**966,040**	**4,708,249**

1 Other changes includes non-cash movements relating to the modification of existing leases.

5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

	2019 $	Cash flows $	Other[1] $	Changes due to AASB 16 $	2020 $
Short-term borrowings	712,485	375,722	57,433	-	**1,145,640**
Long-term borrowings	-	223,960	-	-	**223,960**
Lease liabilities	-	-	-	1,610,612	**1,610,612**
Total liabilities from financing activities	**712,485**	**599,682**	**57,433**	**1,610,612**	**2,980,212**

1 Other changes includes non-cash movements relating to the modification of existing leases.

c. Credit and loan standby arrangements

The Group has the following credit standby facilities:

- $50,000 credit card facility
- $223,960 Queensland Rural and Industry Development Authority (QRIDA) Loan facility (assistance under Queensland COVID-19 Job Support Loans Program).
    - Interest free for the first 12 months then 2.5% for the remainder of loan term of 10 years. Repayable by instalments from second year. Loan secured over the assets of Capital Training Institute Pty Ltd.

d. Non-cash investing and financing activities

2021

None

2020

None

i. Accounting policy

For Statement of Cash Flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid instruments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

5.2 Trade and other receivables

	2021 $	2020 $
a. Current		
Trade receivables	926,653	545,756
Less: doubtful debts	(287,848)	(234,000)
	638,805	**311,756**
GST receivable	168,530	69,982
Accrued income	300,486	95,280
Other receivables	-	46,222
	1,107,821	**523,240**

b. The Group's exposure to credit rate risk is disclosed in Note 8.2.a Financial Risk Management.

c. The average credit period on sales of goods and rendering of services ranges from 30 to 90 days. Interest is not charged. No allowance has been made for estimated irrecoverable trade receivable amounts arising from the past sale of goods and rendering of services, determined by reference to past default experience. Amounts are considered as 'past due' when the debt has not been settled, with the terms and conditions agreed between the Group and the customer or counter party to the transaction.

d. Accounting policy

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less allowance for doubtful debts. Currently receivables for GST are due for settlement within 30 days and other current receivables within 12 months. They are recognised initially at fair value and subsequently at amortised cost.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making the determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income within other expenses. When a trade receivable for which an impairment allowance has been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

5.3 Other assets

	2021 $	2020 $
a. Current		
Bank guarantees and bonds	477,078	158,794
Prepayments	299,957	97,525
Other	2,421	863
	779,456	**257,182**

5.4 Trade and other payables

	2021 $	2020 $
a. Current		
Trade payables	1,364,940	1,481,988
Sundry payables and accrued expenses	1,818,215	1,755,246
Accrued interest on convertible notes	82,831	1,233
	3,265,986	**3,238,467**

b. Trade payables are non-interest bearing and usually settled within the lower of terms of trade or 30 days.

c. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 8.2.d.

d. Accounting policy

Trade payables and other payables are recognised initially at fair value and subsequently at amortised cost and represent liabilities for good and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

5.5 Unearned revenue

	2021 $	2020 $
a. Current		
Unearned revenue	1,614,073	2,694,588
	1,614,073	**2,694,588**

5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

5.6 Borrowings

	Note	2021 $	2020 $
a. Current			
Convertible notes (i) & (ii)		650,000	650,000
Loans (iii)		122,011	87,492
Short term loans (iv)		-	81,833
Related party loan (v)	16	118,698	326,315
		890,709	**1,145,640**
b. Non-current			
Long-term loan (vi)		223,960	223,960
		223,960	**223,960**

i. Convertible note (unsecured)

Face value:	$150,000
Coupon:	10% - accrues and is payable on a monthly basis
Maturity:	A variation to the terms was agreed on 28 September 2020 to vary the terms to mature on 30 September 2021. All other terms remaining in place.
Conversion:	The loan-holder shall have the option of requesting repayment in full from the borrower either in cash or in the issue of ordinary shares at the conversion price of $0.05 per share, subject to a conversion notice by the redemption date being 12 months from date of issue and ending on the final conversion date subject to arrangement by the Company and Shareholder approval and in full compliance with ASX Listing Rules.

ii. Convertible note (unsecured)

Face value:	$500,000
Coupon:	10% - accrues and is payable on a monthly basis
Maturity:	A variation to the terms was agreed on 14 November 2020 to vary the terms to mature on 30 September 2021. All other terms remaining in place.
Conversion:	The loan-holder shall have the option of requesting repayment in full from the borrower either in cash or in the issue of ordinary shares at the conversion price of $0.05 per share, subject to a conversion notice by the redemption date being 12 months from date of issue and ending on the final conversion date subject to arrangement by the Company and Shareholder approval and in full compliance with ASX Listing Rules.

5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

iii. Loans

The unsecured loans are interest bearing.

iv. Short term loans

Loan is repayable within 12 months and is unsecured and interest bearing.

v. Related party loan

Loan is repayable within 12 months and is unsecured and non-interest bearing.

vi. Long term loan (secured)

Facility Limit:	$223,960
Commencement date:	19 May 2020
Interest rate:	0.00% for the first 12 months from the commencement date. Then 2.50% for the remainder of the loan term
Interest period:	Monthly
Term:	10 years from the commencement date
Repayment terms:	No repayments for the first 12 months, followed by 24 months of interest only repayments then 84 months of principal and interest repayments
Security:	Loan is secured over the assets of Capital Training Institute Pty Ltd

c. Accounting policy

i. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible note. The amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount if a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

ii. Convertible notes

The component parts of convertible notes issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion options that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguishment upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will be transferred to share premium. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in the profit or loss upon conversion or expiration of the conversion option.

Transactions costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

5.7 Other significant accounting policies related to financial assets and liabilities

a. Investments and other financial assets

i. Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- Those to be measured at amortised cost,

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (**FVOCI**).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

ii. Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership..

iii. Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not a fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

1. Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains or losses together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit and loss and presented net within other gains or losses in the period in which it arises.

5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

2. **Equity instruments**

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains or losses on equity investments in OCI, there is no subsequent reclassification of fair value gains or losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit and loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains or losses in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iv. Impairment

The Group assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

6. NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES

6.1 Inventories

	2021 $	2020 $
Linguaskills bundles	179,189	216,275
	179,189	**216,275**

a. Accounting policy

Inventories are valued at the lower of cost and net realisable value. Costs incurred to bringing each product to its present location and condition are accounted for as the cost of purchase of Linguaskills bundles.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

6.2 Property, plant and equipment

	2021 $	2020 $
Building improvements	93,304	84,429
Accumulated amortisation	(52,303)	(46,460)
	41,001	**37,969**
Plant and equipment	813,812	547,464
Accumulated depreciation	(503,663)	(486,747)
	310,149	**60,717**
Computer equipment	137,276	65,377
Accumulated depreciation	(75,571)	(39,812)
	61,705	**25,565**
Motor vehicles	136,009	71,385
Accumulated depreciation	(51,874)	(43,646)
	84,135	**27,739**
Total property, plant and equipment	**496,990**	**151,990**

6. NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

a. Movements in carrying amounts

	Building improvements $	Plant and equipment $	Computer equipment $	Motor vehicles $	Total $
Carrying amount at 1 July 2020	**37,969**	**60,717**	**25,565**	**27,739**	**151,990**
Additions	8,875	272,638	65,609	64,624	**411,746**
Depreciation expense	(5,843)	(23,206)	(29,469)	(8,228)	**(66,746)**
Carrying amount at 30 June 2021	**41,001**	**310,149**	**61,705**	**84,135**	**496,990**
Carrying amount at 1 July 2019	**43,299**	**66,665**	**31,753**	**29,790**	**171,507**
Additions	-	22,991	12,009	-	**35,000**
Depreciation expense	(5,330)	(28,939)	(18,197)	(2,051)	**(54,517)**
Carrying amount at 30 June 2020	**37,969**	**60,717**	**25,565**	**27,739**	**151,990**

b. Accounting policy

i. Recognition and measurement

Items of plant and equipment are measured on the cost basis and carried at cost less accumulated depreciation (see below) and impairment losses (see Accounting policy 6.6 Impairment of non-financial assets).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing items and restoring the site on which they are located and an appropriate proportion of production overheads. Cost includes the cost of replacing parts that are eligible for capitalisation when the costs of replacing the parts is incurred. Similarly, wen each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Where considered material, the carrying amount if property, plant, and equipment is reviewed annually by directors to ensure it is not excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

ii. Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodies within the part will flow to the Group and its cost can be measured reliably. Any costs of the day-to-day servicing of plant and equipment are recognised in the income statement as an expense as incurred.

6. NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

iii. Depreciation

Depreciation is charged to the income statement on a reducing balance basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period or the lease or the estimated useful lives of the improvements.

Depreciation rates and methods are reviewed annually for appropriateness. The depreciation rates used for the current and comparative period are:

	2021 %	2020 %
Building improvements	4 – 15	4 – 15
Plant and equipment	15 – 37.5	15 – 37.5
Computer	33.33 – 50	33.33 - 50
Motor vehicles	20	20

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. As asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that its estimated recoverable amount.

iv. Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

6.3 Leases

	2021 $	2020 $
a. Right of use assets		
Properties	3,198,923	1,425,159
	3,198,923	**1,425,159**
b. Lease liabilities		
Current	388,927	529,651
Non-current	3,204,653	1,080,961
	3,593,580	**1,610,612**

c. Additions to the right-of-use assets during the 2021 financial were $1,977,940.

6. NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

	2021 $	2020 $
d. Amounts recognised in the statement of profit or loss		
Included in depreciation and amortisation:		
Depreciation charge of right-of-use assets properties	754,255	711,120
	754,255	**711,120**
Interest expense (included in finance cost)	241,786	192,924

e. The total cash outflow for leases in 2021 was $911,012.

f. Accounting policy

i. Recognition and measurement

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

1. Right-of-use asset

The Group recognises a right-of-use asset at the commencement date of the lease. The right of use asset is initially measured at cost. The cost of right-of-use assets includes the amount of lease liabilities recognised, adjusted for any lease payments made at or before the commencement date, plus initial direct costs incurred and an estimate of costs to dismantle, remove or restore the leased asset, less any lease incentives received.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs; and
- Restoration costs.

Subsequent to initial measurement, the right of use of asset is depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life as follows:

- Properties 3-5 years

Right-of-use assets are subject to impairment and are adjusted for any remeasurement of lease liabilities.

6. NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

2. Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities at the present value of lease payment to be made over the lease term. The lease payment include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the assessment of lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payments occurs. The present value of lease payments is discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The amount of lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension, or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount of the right-of-use has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and do not contain a purchase option, and leases of low value assets. The Group recognises the lease payment associated with these leases as an expense on a straight-line basis over the lease term.

ii. Extension and termination options

An extension option is included in a property of the Group. This is used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The extension option is exercisable only by the Group and not by the respective lessor.

g. Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

- For leases of properties, the following factors are normally the most relevant:
- If there are significant penalties to terminate (or not extended), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).

6. NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Most extension options in vehicle leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption.

The lease terms is reassessed if an option is actually exercised (or note exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment and that is within the control of the lessee.

6.4 Intangible assets

	2021 $	2020 $
Licenced operations	4,687,679	5,295,344
Accumulated amortisation	(2,439,794)	(2,439,794)
	2,247,885	**2,855,550**

a. **Movements in carrying amounts**	Goodwill $	Licenced operations $	Total $
Carrying amount at 1 July 2020	-	2,855,550	**2,855,550**
Additions	-	8,000	**8,000**
Impairment	-	-	**-**
Amortisation expense	-	(615,665)	**(615,665)**
Carrying amount at 30 June 2021	**-**	**2,247,885**	**2,247,885**
Carrying amount at 1 July 2019	-	3,461,216	**3,461,216**
Additions	-	10,000	**10,000**
Amortisation expense	-	(615,666)	**(615,666)**
Carrying amount at 30 June 2020	**-**	**2,855,550**	**2,855,550**

The recoverable amount of the Group's Licensed Operations CGU has been determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Directors utilising the following key assumptions:

- Discount rate is based upon a weighted average cost of capital of 17%;
- Cash flows beyond the 2022 budget have applied nil % growth rate.

As a result of the analysis, management has not recognised an impairment loss. The Directors believe that any reasonably possible further change in the key assumptions on which recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

6. NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

b. Accounting policy

i. Intangible assets acquired separately

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

ii. Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Expenditures in relation to the development of identifiable and unique products, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets and amortised over their estimated useful lives. Any expenditure related to research is expensed as incurred.

iii. Intangible assets acquired in a business combination

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

6. NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

iv. Subsequent measurement

Amortisation of intellectual property is charged to operating expenses and / or cost of services on a straight-line basis over their estimated useful lives, from the date they are available for use. The residual values and useful lives are reviewed at each reporting date and adjusted, if appropriate.

The following useful lives are used in the calculation of amortisation:

	2021 %	2020 %
Licensed operations	14	14

v. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of the acquisition of the business (see 11.1.a) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGU) (or groups of CGUs) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unite pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill in not reversed in subsequent period.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

v. Key estimates

Impairment of goodwill

During the 2021 financial year, management tested the Group's assets for impairment and concluded that no impairment was necessary. The company determined the recoverable amount using the value-in use method being a discounted cash flow forecast for a period of 5 years with a pre-tax discount rate of 17%.

6.5 Provisions

	2021 $	2020 $
a. Current		
Provision for annual leave	338,506	224,801
Provision for long service leave	22,541	4,224
	361,047	**229,025**

6. NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

	Employee entitlements $
b. Movements in carrying amounts	
Balance at the beginning of year	229,025
Additional provisions raised during the year	374,352
Amounts used	(242,330)
Carrying amount at the end of year	**361,047**

c. Description of provisions

Provision for employee benefits represents amounts accrued for annual leave (AL) and long service leave (LSL). The current portion for this provision includes the total amount accrued for AL entitlements and the amounts accrued for LSL entitlements that have vested due to employees having completed the required period of service. The Group does not expect the full amount of AL or LSL balance classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

d. Accounting policy

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 obligations. Provisions are not recognised for future operating losses.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contact, 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 statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value money is material, provisions are discounted using a current pre-tax rate that reflects the risk specific to the liability. When discounting in used, the increase in the provision due to the passage of time is recognised as an interest expense.

6.6 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets (see Accounting policy at Note 6.4) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of other assets in the unit on a pro rata basis.

07 Notes to the consolidated financial statements

For the year ended 30 June 2021

7. EQUITY

The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and value in use. 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

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7.1 Issued capital

	2021 No.	2020 No.	2021 $	2020 $
Fully paid ordinary shares at no par value	**581,564,649**	**526,564,649**	**34,194,159**	**29,986,452**

a. Ordinary shares

	2021 No.	2020 No.	2021 $	2020 $
At the beginning of the year	526,564,649	525,687,456	29,986,452	29,951,452
Shares issued during the period/year:				
Placement shares issued at $0.10 per share	55,000,000	-	5,500,000	-
Transaction costs relating to share issues	-	-	-	-
In lieu of cash payment for director fees at $0.057	-	877,193	-	50,000
Transaction costs relating to share issues	-	-	(1,292,293)	(15,000)
At reporting date	**581,564,649**	**526,564,649**	**34,194,159**	**29,986,452**

b. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of, and the amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

c. Accounting policy

Issued and paid-up capital is recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit. Ordinary issued capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

07 Notes to the consolidated financial statements

For the year ended 30 June 2021

7. EQUITY (continued)

7.2 Options

	2021 No.	2020 No.	2021 $	2020 $
Options	**27,000,000**	**7,500,000**	**3,079,276**	**1,957,234**
At the beginning of the period	7,500,000	27,500,000	1,957,234	1,957,234
Options issued/(lapsed) during the year:				
Expired: 03/07/2020	(7,500,000)	-	-	-
Expired: 12/02/2020	-	(20,000,000)	-	-
Issued to broker:				
Expiry Date: 10/07/2023				
Exercise Price: $0.05	10,000,000	-	165,000	-
Issued to broker:				
Expiry Date: 09/11/2023				
Exercise Price: $0.15	17,000,000	-	957,042	-
At reporting date	**27,000,000**	**7,500,000**	**3,079,276**	**1,957,234**

7.3 Reserves

	2021 $	2020 $
Share-based payment reserve	3,079,276	1,957,234
	3,079,276	**1,957,234**

a. Share-based payment reserve (formerly Option Reserve)

The share-based payment reserve records the value of options and performance rights issued by the Company to its employees or consultants.

8. FINANCIAL RISK MANAGEMENT

8.1 Financial risk management policies

This note presents information about the Group's exposure to each of the above risks, its objectives, policies, and procedures for measuring and managing risk and the management of capital.

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts payable and receivable, borrowings (including convertible instruments) and leases.

The Group does not speculate in the trading of financial instruments or derivate instruments.

A summary of the Group's financial assets and liabilities is shown below:

2021	**Floating interest rate $**	**Fixed interest rate $**	**Non-interest bearing $**	**Total $**
Financial assets				
Cash and cash equivalents	4,548,855	-	-	**4,548,855**
Trade and other receivables	-	-	1,107,821	**1,107,821**
Total financial assets	**4,548,855**	**-**	**1,107,821**	**5,656,676**
Financial liabilities				
Trade and other payables	-	-	3,265,986	**3,265,986**
Borrowings	-	995,971	118,698	**1,114,669**
Total financial liabilities	**-**	**995,971**	**3,384,684**	**4,380,655**
Net financial assets / (liabilities)	**4,548,855**	**(995,971)**	**(2,276,863)**	**1,276,021**

2020	**Floating interest rate $**	**Fixed interest rate $**	**Non-interest bearing $**	**Total $**
Financial assets				
Cash and cash equivalents	844,890	-	-	**844,890**
Trade and other receivables	-	-	523,239	**523,239**
Total financial assets	**844,890**	**-**	**523,239**	**1,368,129**
Financial liabilities				
Trade and other payables	-	-	3,238,467	**3,238,467**
Borrowings	-	1,039,920	329,680	**1,369,600**
Total financial liabilities	**-**	**1,039,920**	**3,568,147**	**4,608,067**
Net financial assets / (liabilities)	**844,890**	**(1,039,920)**	**(3,044,908)**	**(3,239,938)**

8. FINANCIAL RISK MANAGEMENT (continued)

8.2 Specific financial risk exposure and management

The main risk the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate and equity price risk.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Group's risk profit. This includes assessing, monitoring, and managing risks for the Group and setting appropriate risk limits and controls. The Group is not of a size nor is its affairs of such complexity to justify the establishment of a formal system for risk management and associated controls. Instead, the Board approves all expenditure, is intimately acquainted with all operations, and discuss all relevant issues at the Board meetings. The operational and other compliance risk management have also been assessed and found to be operating efficiently and effectively.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group. The Group's exposure to credit risk is primarily in relation to its cash at bank, short-term deposits, and receivables. The Group does not have any other significant credit risk exposure to a single counterparty or any group of counterparties having similar characteristics.

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy on only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and if not available, the Group uses publicly available financial information and its own trading record to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

i. Credit risk exposures

The maximum exposure to credit risk is that to its alliance partners and that is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with financial institutions residing in Australia, wherever possible.

ii. Impairment losses

Impairment losses are recorded against receivables unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amount is considered irrecoverable and is written off against the financial asset directly. The ageing of the Group's trade and other receivables at reporting date was as follows:

8. FINANCIAL RISK MANAGEMENT (continued)

2021

	Gross $	Impaired $	Net $	Past due but not impaired $
Trade receivables				
Not past due	343,570	(30,649)	312,921	-
Past due up to 30 days	135,956	(16,820)	119,136	119,136
Past due 31 days to 60 months	81,685	(26,559)	55,126	55,126
Past due 61 days to 90 months	75,314	(22,758)	52,556	52,556
Past due over 90 months	290,128	(191,062)	99,066	99,066
	926,653	**(287,848)**	**638,805**	**325,884**
Other receivables				
Not past due	469,016	-	469,016	-
Total	**1,395,669**	**(287,848)**	**1,107,821**	**325,884**

b. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Ultimate responsibility for liquidity risk management rest with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium, and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Typically, the Group ensures that it has sufficient cash to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The financial liabilities of the Group include trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date.

07 Notes to the consolidated financial statements

For the year ended 30 June 2021

8. FINANCIAL RISK MANAGEMENT (continued)

Contractual maturities

The following are the contractual maturities of financial assets and liabilities of the Group:

	Within 1 year		Greater than 1 Year		Total	
	2021 $	2020 $	2021 $	2020 $	2021 $	2020 $
Financial liabilities for payment						
Trade and other payables	3,265,986	3,238,467	-	-	**3,265,986**	**3,328,467**
Borrowings	890,709	1,145,640	223,960	223,960	**1,114,669**	**1,369,600**
Leases	388,927	529,651	3,204,653	1,080,961	**3,593,580**	**1,610,612**
Total contractual outflows	**4,545,622**	**4,913,758**	**3,428,613**	**1,304,921**	**7,974,235**	**6,218,679**
Financial assets						
Cash and cash equivalents	4,548,855	844,890	-	-	**4,548,855**	**844,890**
Trade and other receivables	1,107,821	523,239	-	-	**1,107,821**	**523,239**
Total anticipated inflows	**5,656,676**	**1,368,129**	-	-	**5,656,676**	**1,368,129**
Net inflow / (outflow) on financial instruments	**1,111,054**	**(3,545,629)**	**(3,428,613)**	**(1,304,921)**	**(2,317,559)**	**(4,850,550)**

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

c. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group's activities minimally expose it to financial risks of changes in foreign currency exchange rates, commodity prices and exchange rates. The Group does not enter into derivative financial instruments including foreign exchange forward contracts to hedge against financial risk. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

i) Interest rate risk

The Group is exposed to interest rate risks as the Group borrows funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. The Group's exposure to interest rate in financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

ii) Foreign exchange risk

The Group is not exposed to any material foreign exchange risk.

8. FINANCIAL RISK MANAGEMENT (continued)

iii) **Price risk**

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group does not presently hold material amounts subject to price risk. As such the Board considers price risk as a low risk to the Group.

d. Sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance sheet date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

a. Interest rates	Profit $	Equity $
Year ended 30 June 2021		
+/- 50 basis point change in interest rates	+/- 22,744	+/- 22,744
Year ended 30 June 2020		
+/- 50 basis point change in interest rates	+/- 4,224	+/- 4,224

e. Net fair values

i) Fair value estimation

The fair values of financial assets and financial liabilities are presented in the table in Note 8.1 and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial instruments whose carrying value is equivalent to fair value due to their nature include:

- Cash and cash equivalents
- Trade and other receivables; and
- Trade and other payables

The methods and assumptions used in determining the fair values of financial instruments are disclosed in the accounting policy specific to the asset or liability.

9. CAPITAL MANAGEMENT

9.1 Capital

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated losses. None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings. Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

9.2 Working capital

	Note	2021 $	2020 $
The working capital position of the Group was as follows:			
Cash and cash equivalents	5.1	4,548,855	844,890
Trade and other receivables	5.2	1,107,821	523,239
Inventories	6.1	179,189	216,275
Other current assets	5.3	779,456	257,182
Trade and other payables	5.4	(3,265,986)	(3,238,467)
Borrowings	5.6	(890,709)	(1,145,640)
Leases	6.3	(388,927)	(529,651)
Current provisions	6.5	(361,047)	(229,025))
Working capital position		**1,708,652**	**(3,301,197)**

10. INTEREST IN SUBSIDIARIES

10.1 Information about principal subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by the Group and the proportion of ownership interest held equals the voting rights held by the Group. Investments in subsidiaries are accounted for at cost. Each subsidiary's country of incorporation is also its principal please of business:

Subsidiary	Principal activity	Place of incorporation and operation	Percentage owned 2021	Percentage owned 2020
iCollege International Pty Ltd	Educational Services	Queensland	100%	100%
Management Institute of Australia Pty Ltd*	Educational Services	New South Wales	100%	100%
Management Institute of Australia No.1 Pty Ltd*	Educational Services	New South Wales	100%	100%
Management Institute of Australia No.2 Pty Ltd*	Educational Services	New South Wales	100%	100%
Celtic Training & Consultancy Pty Ltd	Educational Services	South Australia	100%	100%
Manthano Limited^	Educational Services	Queensland	0%	100%
Brisbane Career College Pty Ltd	Educational Services	Queensland	100%	100%
Capital Training Institute Pty Ltd	Educational Services	New South Wales	100%	100%

* Companies were all acquired at the same time and are now in liquidation waiting deregistration

^ Deregistered on 11 February 2021

11. OTHER SIGNIFICANT ACCOUNTING POLICIES RELATED TO GROUP STRUCTURE

11.1 Basis of consolidation

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial states as well as their results for the year then ended. Where controlled entities have entered (left) the Consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

a. Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group is exposed to variable return from another entity and has the ability to affect those returns through its power over the entity.

The Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognised amount of the identifiable assets acquired, and liabilities assumed.

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill.

If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

The consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

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.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

b. Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date the control commences until the date the control ceases.

11. OTHER SIGNIFICANT ACCOUNTING POLICIES RELATED TO GROUP STRUCTURE (continued)

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly, or indirectly, to the Group are presented as non-controlling interests. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and state of comprehensive income.

The grant by the company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

A list of controlled entities is contained in Note 10 Interest in Subsidiaries of the financial statements.

c. Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interests are measured at fair value at the date control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

d. Transactions eliminated on consolidation

All intra-group balance and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

07 Notes to the consolidated financial statements

For the year ended 30 June 2021

12. COMMITMENTS

12.1 Operating lease commitments - Group as lessee

None

12.2 Capital commitments

None

13. EVENTS SUBSEQUENT TO REPORTING DATE

iCollege and RedHill Education Limited ("RedHill") announced to the ASX on 12 August 2021 that an offer from iCollege to acquire RedHill shares has been unanimously recommended by RedHill's Board of Directors, subject to there being no superior proposal. The iCollege offer is for 9.5 iCollege shares for each RedHill share. Following mutual due diligence, the business have executed a Bid Implementation Agreement ("BIA") to complete the proposed transaction by an off-market takeover. In the event the takeover does not successfully complete, a Scheme Implementation Deed is proposed to be executed on terms similar to the BIA based on iCollege's closing share price of $0.130 per share on 11 August 2021. This implies a value of $1.235 per RedHill share representing a premium in the range of 53.4% to 61.4% on relative timeframes (last close on 25 June 2021, 1-month, and 3-month VWAP to this date and the undisturbed price on 11 December 2020.

The key conditions of the offer include a minimum acceptance condition of 90%; receipt of regulatory approvals; no prescribed occurrences; no material adverse change. The BIA includes a customary deal protection for ICT including a break fee, no shop, no talk, exclusivity, and a right to match competing proposals (subject to usual fiduciary carve-outs).

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

07 Notes to the consolidated financial statements

For the year ended 30 June 2021

14. CONTINGENT LIABILITIES

There are no other contingent liabilities as at 30 June 2021 (30 June 2020: Nil).

07 Notes to the consolidated financial statements

For the year ended 30 June 2021

15. KEY MANAGEMENT PERSONNEL (KMP) COMPENSATION

The names and positions of KMP are as follows:

Mr Simon Tolhurst	Non-executive Chairman
Mr Ashish Katta	CEO & Managing Director
Mr Badri Gosavi	CFO & Executive Director

Information regarding individual directors and executives' compensation and some equity instruments disclosures as required by the Corporations Regulations 2M.3.03 is provided in the Remuneration report table on Page 23.

	2021 $	2020 $
Short-term employee benefits	518,080	360,541
Post-employment benefits	-	9,610
Share-based payments	80,000	50,000
Other long-term benefits	-	-
Termination benefits	-	-
Total	**598,080**	**420,151**

07 Notes to the consolidated financial statements

For the year ended 30 June 2021

16. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms conditions no more favourable than those available to other parties unless otherwise stated.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

There is a loan outstanding payable to Mr Ashish Katta of $380,000 at year end (2020: $484,724) being an amount payable as a result of an equity sell-down completed pre-acquisition. No interest is accrued on the loan and will be repaid to him as and when he provides notice to the company subject to available cash and sufficient working capital remaining in the company.

There is a loan receivable from Sero Learning Pty Ltd, of which Mr Ashish Katta is a Director of $261,302 at year end (2020: $172,169). There is a right of set-off in place on which the amount is net off against the amount owing to Ashish Katta. This results in a net payable of $118,698 (2020: $312,555).

There was a loan payable to Mr Badri Gosavi of $13,781 in financial year ended 30 June 2020. This was fully paid on 1 September 2020. There is currently no loan payable to Mr Badri Gosavi as at 30 June 2021.

HWL Ebsworth, company associated with Mr Simon Tolhurst, charged a total fee of $20,076 (2020: $26,505) providing legal services for the year ended 30 June 2021.

17. AUDITOR'S REMUNERATION

Remuneration of the auditor for auditing or reviewing the financial reports:

	2021 $	2020 $
Hall Chadwick WA Audit Pty Ltd	65,503	54,188
	65,503	**54,188**

18. EARNINGS PER SHARE (EPS)

18.1 Reconciliation of earning to profit or loss	Note	2021 $	2020 $
Profit/(loss) for the year		308,095	(2,640,237)
Less: loss attributable to non-controlling equity interest		-	-
Profit/(loss) used in the calculation of basic and diluted EPS		**308,095**	**(2,640,237)**

	Note	2021 No.	2020 No.
18.2 Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS		**561,770,695**	**526,201,755**
Weighted average number of dilutive equity instruments outstanding	18.5	10,000,000	-

	Note	2021 No.	2020 No.
18.3 Weighted average number of ordinary shares outstanding during the year used in calculation of diluted EPS		**571,770,695**	**526,201,755**

18.4 Earnings per share	Note	2021 ¢	2020 ¢
Basic EPS (cents per share)	18.5	0.0543	(0.502)
Diluted EPS (cents per share)	18.5	0.0534	(0.502)

18.5 Options

As at 30 June 2021 the Group has 27,000,000 unissued shares under options (2020: 7,500,000). The Group does not report diluted earnings per share on losses generated by the Group.

18.6 Accounting policy

Basic EPS is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, dividend by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to the Group, adjusted for costs of servicing equity (other than dividends) and preference share dividends; the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

19. SHARE-BASED PAYMENTS

19.1 Share-based payments:

	2021 $	2020 $
Recognised in consultancy and professional services	165,000	35,000
	165,000	35,000

19.2 Share-based payment arrangements in effect during the year

a. Consultant options

In consideration for services during the year, the Company has issued options with terms and summaries below:

Number under option	Date of expiry	Exercise price	Vesting terms
10,000,000	10/07/2023	$0.05	Immediately upon issue
17,000,000	09/11/2023	$0.15	Immediately upon issue

19.3 Movement in share-based payment arrangements during the period

A summary of the movements of all Company options issued as share-based payments is as follows:

	2021		2020	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Outstanding at the beginning of the year	7,500,000		27,500,00	0.05
Granted			-	-
Expiry: 10/07/2023	10,000,000	0.05		
Expiry: 09/11/2023	17,000,000	0.15		
Exercised	-	-	-	-
Expired	(7,500,000)	0.08	(20,000,000)	0.05
Outstanding at year-end	**27,000,000**	**0.11**	**7,500,000**	**0.08**
Exercisable at year-end	**27,000,000**	**0.11**	**7,500,000**	**0.08**

a. No options were exercised during the year (2020: Nil).

b. The weighted average remaining contractual life of options outstanding at year end was 2.24 years (2020: nil). The weighted average exercise price of outstanding options at the end of the reporting period was $0.11 (2020: $0.08).

c. The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period.

19. SHARE-BASED PAYMENTS (continued)

19.4 Fair value of options granted during the year

The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period.

No options were granted to employees during the year.

a. Accounting policy

The Group may provide benefits to employees (including directors) and consultants of the Group in the form of share-based payment transactions, whereby services are rendered in exchange for shares or rights over shares ('equity-settled transactions').

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the 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 interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

i. During the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period

ii. From the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense if recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

19. SHARE-BASED PAYMENTS (continued)

If the non-vesting condition is within the control of the Group of employees, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

b. Key estimate

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, suing the assumptions detailed above.

20. OPERATING SEGMENTS

20.1 Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group is managed primarily on the basis of business category and geographical areas. Operating segments are therefore determined on the same basis. Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

20.2 Basis of accounting for purpose of reporting by operating segments

a. Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

b. Inter-segment transactions

All such transactions are eliminated on consolidation of the Group's financial statements.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

c. Segment assets

Where an asset is used across multiple segments, the asset is allocated proportionately to the applicable segments based on its use. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets not, deferred tax assets and intangible assets have not been allocated to operating segments.

d. Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segments include trade and other payables.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

20. OPERATING SEGMENTS (continued)

20.3 Description of operating segment

a. Financing

iCollege Limited is the head office of the Group and conducts all corporate activities in relation to the Group. This includes capital raisings which is used to provide funding for acquisitions and working capital.

b. Education services

This is the operational segment of the Group which contains the education services businesses as listed in Note 10.

2021	Financing $	Education services $	Consolidated $
Segment income			
Revenue from customers	-	16,290,197	**16,290,197**
Finance income	98	804	**902**
ATO Cash Flow Boost	-	252,100	**252,100**
Job Keeper subsidy	-	684,000	**684,000**
EMDG income	-	32,255	**32,255**
Total income	**98**	**17,259,356**	**17,259,454**
Segment expenses			
Cost of goods sold	-	(7,823,908)	**(7,823,908)**
Finance costs	(80,097)	(311,627)	**(391,724)**
Depreciation and amortisation	(624,245)	(812,421)	**(1,436,666)**
Net other costs	(1,977,941)	(5,436,853)	**(7,414,794)**
Total expenses	**(2,682,283)**	**(14,384,809)**	**(17,067,092)**
Segment profit/(loss) before income tax	**(2,682,185)**	**2,874,547**	**192,362**
30 June 2021			
Segment assets and liabilities			
Reportable segment assets	4,785,675	7,772,783	**12,558,458**
Reportable segment liabilities	(3,019,129)	(7,552,018)	**(10,571,147)**
Net assets	**1,766,546**	**220,765**	**1,987,311**

20. OPERATING SEGMENTS (continued)

2020	Financing $	Education Services $	Consolidated $
Segment income			
Revenue from customers	-	10,806,163	**10,806,163**
Finance income	27	1,468	**1,495**
ATO Cash Flow Boost	-	135,886	**135,886**
Job Keeper subsidy	-	309,000	**309,000**
DIS grant	-	**186,302**	**186,302**
Total income	**27**	**11,438,819**	**11,438,846**
Segment expenses			
Cost of goods sold	-	(3,828,159)	**(3,828,159)**
Finance costs	(88,772)	(290,880)	**(379,652)**
Depreciation and amortisation	(617,948)	(766,906)	**(1,384,854)**
Net other costs	(922,354)	(7,733,372)	**(8,655,726)**
Total expenses	**(1,629,074)**	**(12,619,317)**	**(14,248,391)**
Segment loss before income tax	**(1,629,047)**	**(1,180,498)**	**(2,809,545)**
30 June 2020			
Segment assets and liabilities			
Reportable segment assets	475,907	5,798,378	**6,274,285**
Reportable segment liabilities	(2,342,118)	(7,582,700)	**(9,924,818)**
Net deficiency	**(1,866,211)**	**(1,784,322)**	**(3,650,533)**

20.4 Geographical segments

The Group is domiciled in Australia and all revenue from external parties is generated in Australia.

21. PARENT ENTITY DISCLOSURES

iCollege Limited is the ultimate Australian parent entity and ultimate parent of the Group.

iCollege Limited did not enter into any trading transactions with any related party during the year.

21.1 Financial position of iCollege Limited

	2021 $	2020 $
Current assets	4,692,306	463,084
Non-current assets	93,369	12,822
Total assets	**4,785,675**	**475,906**
Current liabilities	2,396,676	1,559,592
Non-current liabilities	622,453	782,526
Total liabilities	**3,019,129**	**2,342,118**
Net asset / (deficiency)	**1,766,546**	**(1,866,212)**
Equity		
Issued capital	34,194,159	30,185,737
Share-based payment reserve	3,079,276	1,957,234
Accumulated losses	(35,506,890)	(34,009,183)
Total equity	**1,766,546**	**(1,866,212)**

21.2 Financial performance of iCollege Limited

	2021 $	2020 $
Loss for the year	(1,497,707)	(885,916)
Other comprehensive income	-	-
Total comprehensive income	**(1,497,707)**	**(885,916)**

21.3 Guarantees

There are no guarantees entered into iCollege Limited for debts of its subsidiaries as at 30 Jun 2021 (2020: None).

21.4 Contractual commitments

The parent company has no capital commitments as at 30 June 2021 (2020: None).

21.5 Contingent liabilities

There are no contingent liabilities as at 30 June 2021 (2020: None).

08 Directors' declaration

For the year ended 30 June 2021

The Directors of the Company declare that:

1. The consolidated financial statements and notes, are in accordance with the *Corporations Act 2001 (Cth)* and:

(a) complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements;

(b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 1.1.a to the financial statements;

(c) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the financial year ended on that date of the Group; and

(d) the Directors have been given the declarations required by s.295A of the *Corporations Act 2001 (Cth)*.

2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to s303(5) of the *Corporations Act 2001 (Cth)* and is signed for and on behalf of the directors by:

ASHISH KATTA

CEO & Managing Director

Dated this Tuesday 30 September 2021

09 Independent auditor's report

For the year ended 30 June 2021

HALL CHADWICK

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ICOLLEGE LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of iCollege Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.1(b).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

HALL CHADWICK

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue Recognition During the year ended 30 June 2021, the Consolidated Entity generated revenue of $16,290,197 (2020:$10,806,163) and had unearned revenue of $1,614,073 (2020: $2,694,588) at balance date. We consider this to be a key audit matter due to the judgement and estimates involved in determining when the performance obligations are met and when revenue is recognised.	Our procedures included, amongst others: • Obtaining an understanding of the processes relating to revenue recognition; • Reviewing the revenue recognition policy for compliance with *AASB 15 Revenue from Contracts with Customers*; • Testing revenue on a sample basis to supporting documentation; • Assessing cut-off of revenue at year end to ensure revenue has been recorded in the correct reporting period; and • Assessing the adequacy of the Consolidated Entity's revenue disclosures within the financial statements.
Impairment Assessment As at 30 June 2021, the carrying value of the Group's intangible assets was $2,247,885. The impairment assessment of the Group's intangible assets is a Key Audit Matter due to the significance of the balance to the Group's financial position and the presence of impairment indicators and judgement required in assessing the value in use of the cash generating units ("CGU's") to which the intangible assets relate.	Our procedures included, amongst others: • Assessed management's value in use calculations including analysis of key assumptions and inputs such as discount rates and assessing the reasonableness of the forecasts prepared; • Utilised our internal valuation specialists to assess the discount rate applied; • Assessed the arithmetic accuracy of the impairment model; and • Assessed the appropriateness of the disclosures included in the relevant notes to the financial report.

09 Independent auditor's report

For the year ended 30 June 2021

HALL CHADWICK

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1.1(b), the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

HALL CHADWICK

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Consolidated Entity’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

09 Independent auditor's report

For the year ended 30 June 2021

HALL CHADWICK

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of the Company, for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

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DOUG BELL CA
Partner

Dated this 30th day of September 2021

10 Corporate governance statement

For the year ended 30 June 2021

iCollege Limited has established a strong governance framework and continues to be committed to a high level of integrity and ethical standards in all its business practices.

Effective and transparent corporate governance is of critical importance to iCollege and its Board of Directors. The Board fully supports the intent of the Australian Securities Exchange (ASX) Corporate Governance Council's new 4th edition of Corporate Governance Principles and Recommendations.

The Corporate Governance Framework continues to evolve as it seeks continual improvement in the way it conducts its business. Further details on iCollege's governance principles can be found on the Company's Corporate Governance Statement available at https://www.icollege.edu.au/about-icollege/

11 Additional information for public listed companies

For the year ended 30 June 2021

1. CAPITAL AS AT 23 SEPTEMBER 2021

1.1 Ordinary share capital

581,564,649 ordinary fully paid shares held by 980 shareholders.

1.2 Unlisted options over unissued shares

Number of options	Exercise price	Expiry date	Number of holders
10,000,000	$0.05	10/07/2023	2
17,000,000	$0.15	09/11/2023	7

1.3 Voting rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares:

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands

Unlisted options:

Options do not entitle the holders to vote in respect of that equity instrument, nor participate in dividends, when declared, until such time as the options are exercised or performance shares convert and subsequently registered as ordinary shares.

1.4 Substantial shareholders as at 23 September 2021

Name	Number of ordinary fully paid shares held	% Held of issued ordinary capital
Druid Consulting Pty Ltd	56,550,000	9.72
AWJ Family Pty Ltd (Angus W Johnson Family)	34,448,575	5.92

1.5 Distribution of shareholders as at 23 September 2021

Category (size of holding)	Total holders	Number of shares	% Held of issued ordinary capital
1 – 1,000	62	11,837	0.00
1,001 – 5,000	73	286,021	0.05
5,001 – 10,000	107	862,354	0.15
10,001 – 100,000	320	14,668,274	2.52
100,001 and over	418	565,736,163	97.28
Total	**980**	**581,564,649**	**100**

11 Additional information for public listed companies

For the year ended 30 June 2021

1. CAPITAL AS AT 23 SEPTEMBER 2021 (continued)

1.6 Unmarketable parcels as at 23 September 2021

At the date of this report there were 107 shareholders who held less than a marketable parcel of shares holding 162,285 shares.

1.7 On-market buy-back

There is no current on-market buy-back.

1.8 Restricted securities

The Company has no restricted securities.

11 Additional information for public listed companies

For the year ended 30 June 2021

1. CAPITAL AS AT 23 SEPTEMBER 2021 (continued)

1.9 20 Largest shareholders - ordinary shares as at 23 September 2021

Rank	Name	Number of ordinary fully paid shares held	% Held of issued ordinary capital
1	Druid Consulting ty Ltd	56,550,000	9.72
2	AWJ Family Pty Ltd (Angus W Johnson Family)	34,448,575	5.92
3	BNP Paribas Nominees Pty Ltd – HUB24 Custodial Serv Ltd	24,016,567	4.13
4	Silver River Investment	18,328,767	3.15
5	Gasmere Pty Limited	15,806,044	2.72
6	BNP Paribas Nominees Pty Ltd	15,646,230	2.69
7	Sayers Investments (ACT) Pty Ltd	13,200,000	2.27
8	Investorlend Pty Ltd	11,300,000	1.94
9	Badri Gosavi	12,000,000	2.06
10	P G Binet (No. 5) Pty Ltd	8,510,160	1.46
11	Ossum Holdings Pty Ltd	7,750,000	1.33
12	Mr Harry Hatch	7,538,590	1.30
13	Ossum Holdings Pty Ltd (No. 3)	7,088,762	1.22
14	Mr Jimmy Fausto Caffieri & Mrs Lucia Caffieri	7,000,000	1.20
15	CIBAW Pty Ltd	6,701,071	1.15
16	AWJ Family Pty Ltd (A W Johnson Family)	6,600,000	1.13
17	Mr Mariapillai Pathmanaban & Mrs Vathsala Pathmanaban	5,695,245	0.98
18	Mr Kevin Anthony Torpey	5,673,117	0.98
19	Mrs Diane Arapidis	5,500,000	0.95
20	Mr Russell Emerick Ekas & Mrs Anne Christine Ekas	5,350,000	0.92
	TOTAL	**274,703,128**	**47.24**

11 Additional information for public listed companies

For the year ended 30 June 2021

1. CAPITAL AS AT 23 SEPTEMBER 2021 (continued)

1.10 Unlisted options

Unquoted Securities Holders holding more than 20% of the Class as at 30 September 2021.

Unlisted options (Exercise price $0.05, Expiry date: 10 July 2023)

Name	Number of unquoted securities	% Held of unquoted security class
CIBAW Pty Ltd <Bligh Family a/c>	5,000,000	50.00
J & M Hunter Investments Pty Ltd	5,000,000	50.00
TOTAL	**10,000,000**	**100.00**

Unlisted options (Exercise price $0.15, Expiry date: 9 November 2023)

Name	Number of unquoted securities	% Held of unquoted security class
Taurus Capital Group Pty Ltd	5,700,000	33.53
Sabre Power Systems Pty Ltd	300,000	1.76
CPS Capital No. 4 Pty Ltd	600,000	3.53
Rexroth Holdings Pty Ltd	1,400,000	8.24
Spark Plus Pte Ltd	2,000,000	11.76
Synergy 4 Pty Ltd	5,000,000	29.41
Matthew Banks	2,000,000	11.76
TOTAL	**17,000,000**	**100.00**

TOTAL UNLISTED OPTIONS	**27,000,000**	

11 Additional information for public listed companies

For the year ended 30 June 2021

2. Company Secretary

The Company Secretary is Stuart Usher.

3. Principal registered office

As disclosed under Corporate Directory on Page 100 of this Annual Report.

4. Registers of securities

As disclosed in the Corporate Directory on Page 100 of this Annual Report.

5. Stock exchange listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited, as disclosed in the Corporate Directory on Page 100 of this Annual Report.

6. Use of funds

The Company has used its funds in accordance with its initial business objectives.


celtic training

06 \\ CORPORATE DIRECTORY

Directors

Simon Tolhurst – Non-executive Chairman
Ashish Katta – CEO & Managing Director
Badri Gosavi – CFO & Executive Director

Company secretary

Stuart Usher

Registered office

205 North Quay
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Email: investors@icollege.edu.au
Website: http://www.icollege.edu.au

Auditors

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Telephone: +61 (08) 9426 0666

Share registry

Advanced Share Registry Ltd
110 Stirling Highway
Nedlands
WA 6009
Telephone: +61 (08) 9389 8033
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Fax: +61 (08) 6370 4203
Email: admin@advancedshare.com.au
Website: https://www.advancedshare.com.au

Securities exchange

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Australian Securities Exchange Ltd
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Website: www.asx.com.au

iCollege Limited
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