iCarAsia

iCar Asia Limited
ACN 157 710 746

Appendix 4E
Preliminary Financial Report
For the period ended 31 December 2013

"Results for announcement to the market"

Key information Period ended 31 December	**2013** ($' 000)	**2012** ($' 000)	**Change**
Revenue from ordinary activities	1,346	306	340%
Loss from ordinary activities after tax attributable to members	(6,902)	(1,757)	(293%)
Net loss for the period	(6,902)	(1,757)	(293%)
Basic (loss)/earnings per share (cents)	(4.10)	(2.43)	(69%)
Diluted (loss)/earings per share (cents)	(4.10)	(2.43)	(69%)
NTA per share (cents)	6.51	5.44	20%

Dividends
No dividends have been paid or decided in 2013. There is no dividend reinvestment plan in operation.

Basis of this report
This report includes the attached audited financial statements of iCar Asia Limited and its controlled entities for the period ended 31 December 2013. Together these documents contain all the information required by Appendix 4E of the Australian Securities Exchange Listing Rules. It should be read in conjunction with iCar Asia Limited's Annual Report when released and is lodged with the Australian Securities Exchange under listing rule 4.3A.

For and on behalf of the Board

Patrick Grove
Chairman
26-February-2014

iCar Asia Limited and Controlled Entities

ACN 157 710 846

Annual Financial Report - 31 December 2013

iCar Asia Limited and Controlled Entities
Corporate directory
31 December 2013

Directors	Patrick Grove (Chairman) Lucas Elliott Shaun Di Gregorio Mark Britt Cameron McIntyre
Chief Executive Officer	Damon Rielly Damon.Rielly@icarasia.com
Company secretary	Nick Geddes
Registered office	Level 3 70 Pitt Street Sydney NSW 2001 Australia Tel. +61 (2) 9239 0277 Fax. +61 (2) 9233 4477
Principal place of business	Level 30, Tower A Menara UOA Bangsar No 5 Jalan Bangsar Utama, 59000 Kuala Lumpur Malaysia Tel. +60 (3) 2776 6000 Fax. +60 (3) 2776 6020
Share register	Computershare Level 3 60 Carrington Street Sydney NSW 2000 Australia www.computershare.com
Auditor	Ernst & Young 8 Exhibition Street Melbourne VIC 3000 Australia
Stock exchange listing	iCar Asia Limited and Controlled Entities shares are listed on the Australian Securities Exchange (ASX code: ICQ)
Website	www.icarasia.com

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of iCar Asia Limited and Controlled Entities (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the year ended 31 December 2013.

Directors
The following persons were directors of iCar Asia Limited and Controlled Entities during the whole of the financial year and up to the date of this report, unless otherwise stated:

Patrick Grove (Non-Executive Chairman)
Lucas Elliott (Non-Executive Director)
Shaun Di Gregorio (Non-Executive Director)
Mark Britt (Non-Executive Director)
Cameron McIntyre (Non-Executive Director) Appointed 26 April 2013
Nick Geddes (Non-Executive Director) Resigned 5 June 2013

Principal activities
The principal activities of iCar Asia during the financial year were that of developing and operating car classified and content websites in each of the developing markets the consolidated entity operates in Malaysia, Indonesia and Thailand.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $6,901,778 (31 December 2012: $1,756,618).

Group Overview
2013 was iCar Asia's first full year of operations since listing on the ASX in 2012 and was a year of dynamic growth in our key metrics of listings, audience and leads.

Our vision to become ASEAN's largest and most trusted digital automotive market place is well on course, having established & extended our leadership position in all our three countries of operation – Malaysia, Thailand & Indonesia.

Our clear strategic focus resulted in an increase in the number of cars for sale on iCar Asia websites by 207% over the course of the year, with over 460,000 listed for sale at the end of December 2013. The establishment of this clear leadership position in listing volume & quality, coupled with deployment and improvement in our mobile sites and user experience on all platforms, allowed us to begin marketing our products. This in turn led to tremendous growth of 283% in monthly unique visitors from approximately 1.19m in December 2012 to a total of approximately 4.58m in December 2013, cementing our position as ASEAN's largest network of automotive portals.

This increase in car buyer traffic has translated directly into excellent growth in leads delivered to car sellers. December saw a total of just under 784,000 leads delivered across our three countries, representing a growth of approximately 2,500% over the course of the 2013.

Building strong organisational capability was also key to our year. We have structured our business with an aim to ensuring we maximise our talent and consistency across the entire Group, while ensuring we have the right local knowledge and relationships in place to ensure products and customer service are deployed and tailored to each local market.

Also in 2013, we welcomed a strategic shareholder in carsales.com. It has been an exceptional relationship to date and we feel proud of their support and belief in what we have achieved so far, as well as what we are set to achieve in the coming years.

Malaysia
Our Malaysia site, Carlist.my is the leading automotive classified site in Malaysia. During 2013 we deployed a best-in-market mobile-optimized site and desktop design. Our listings finished the year at 151,039, more than double our nearest competitor. We also took pride in having our listing quality outpace the market, working hard to ensure we provided the lowest listed prices, more photos, more detailed descriptions and accurate odometer readings for all vehicles listed for sale.

The result has been tremendous growth in users and leads delivered to people using our site to sell cars.

2013 also saw us acquire of Malaysia's fastest-growing automotive site, LiveLifeDrive.com. This acquisition was key in constructing our new car market proposition, focusing on the 'buy and sell' funnel, and allowing us to offer an excellent service to new car buyers, sellers and to automotive brand advertisers.

During December 2013 we commenced our dealer monetization program, well ahead of expectations. Our efforts thus far have seen us sign over 1,000 dealers on our paid feature subscription plan, representing 30% of the market already agreeing in a very short time frame to pay for our service. This is a testament to the great work the team has done in growing the site and its value proposition to all our potential customers.

Indonesia
Our Indonesia site, Mobil123.com has continued to grow its leadership position in market. Our "listings first" strategy resulted in more than 200,000 cars being listed for sale at the end of 2013, marking us as the clear leader in the key geographic area of Western Java, which includes the thriving Indonesian capital city, Jakarta. Our drive to have "best-in-market" quality of our listings was also a large success and is reflected in the exceptional development of our key metrics.

We also launched our new car content section towards the end of 2013, modelled on the success of our Malaysian website, LiveLifeDrive.com, opening us to providing excellent value to new car buyers, sellers and car brands across Indonesia.

Thailand
Our March 2013 acquisition of Thailand's number two automotive classified site, ThaiCar.com, has certainly turned out to be a great addition to the iCar Asia network. We again focused on our "listings first" strategy and grew total listings from approximately 20,000 at the time of acquisition to finish the year with over 100,000 listings, a growth of 500%, giving us more than double the listings of the nearest competitor in market.

We also released our mobile-optimized sites and improved the website design and user experience in general. This, coupled with the exceptional listings growth, has seen us drive aggressively at a leadership position with our market-leading product and services.

2013 was a year of very strong growth, especially in the volume and quality of car listings on our sites, resulting in exciting growth in the number of leads we are delivering to car sellers using our services.

The iCar Asia Team
We currently have 190 full-time employees across Malaysia, Thailand and Indonesia all of whom share our core values and our vision of becoming ASEAN's largest and most trusted digital automotive market place. We have worked hard throughout 2013 to set the foundations for a high-performance culture, capable of moving at a dynamic pace to change the way people buy and sell cars in our region. We believe we are making a large impact on our customers and the market, and we look to continue our momentum in 2014.

We believe we have the best sites, the best products, the most traffic, but if we don't have the best people working at iCar Asia, our vision will never become a reality. We are committed to finding, developing and retaining the best talent in ASEAN and building iCar Asia to become the benchmark for media and technology businesses in the region.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
Ongoing political unrest in Thailand is having an impact on the new and used car markets with the Automotive Industry Club of the Federation of Thai Industries reporting a fall in car sales of 39.86% in December 2013. Although this reduction is not expected to have a material impact on the Group’s revenues in the immediate future, ongoing political uncertainty may reduce the Company’s ability to monetise its expanding position in the online car sales market in Thailand.

No other matter or circumstance has arisen since 31 December 2013 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.

Likely developments and expected results of operations
In 2014 we will be focusing on improving our backend technology which allows car dealers to self-service the management of listings real-time, giving them access to their leads via a centrally-built CRM and offering a holistic consumer experience as we work to merge new car and used car listings with content.

In addition to our technology and product enhancements in 2014, we intend to increase the marketing of our brands in all three countries in the hope of gaining absolute brand leadership for car buyers.

In short, our number one priority and commitment across all three countries is to ensure that we are providing the highest volume of qualified leads to car dealers and private sellers alike. We work every day to become the default destination for new and used car buyers, and to ensure we provide an exceptional platform that helps all car sellers to realize our company motto - ‘Sell More Cars’.

Environmental regulation
The company takes a responsible approach in relation to the management of environmental matters. All significant environmental risks have been reviewed and the consolidated entity has no legal obligation to take corrective action in respect of any environmental matter. The consolidated entity's operations are not subject to significant environmental regulations.

Information on directors

Name:	Patrick Grove
Title:	Non-independent, non-executive director and chairman
Qualifications:	Bachelor of Commerce degree with a major in Accounting and Finance from the University of Sydney.
Experience and expertise:	Board member and Chairman since June 2012. Mr Grove is a co-founder of iCar. Mr Grove's experience and expertise include mergers and acquisitions and extraction of investment value in high growth, media, and technology environments. Mr Grove has built a number of significant media and internet businesses across Asia and has taken four businesses from start up to initial public offer. He has been independently recognised with numerous international awards, including as a Global Leader of Tomorrow by the World Economic Forum (2001), a New Asian Leader by the World Economic Forum (2003), the Australian Chamber of Commerce, Singapore, Young Entrepreneur of the Year (2004), Business Week's Best Young Asian Entrepreneurs (2008) and Top 50 Global Achiever (2013) by Australia Unlimited. Mr Grove has a Bachelor of Commerce degree with a major in Accounting and Finance from the University of Sydney. Mr Grove is the Chief Executive Officer, Chairman and major shareholder of Catcha Group, one of South East Asia's most dynamic investment groups. Mr Grove is also the Chairman of iProperty Group Limited, and iBuy Group Limited, both ASX listed companies, and a director of Catcha Media Berhad, a Malaysia-listed company.
Other current directorships:	iProperty Group Limited, iBuy Group Limited, Catcha Media Berhad
Former directorships (in the last 3 years):	None
Special responsibilities:	None
Interests in shares:	70,265,265
Interests in options:	None

Name:	Lucas Elliott
Title:	Non-independent, non-executive director
Qualifications:	Bachelor of Commerce degree with a major in Finance from the University of Sydney.
Experience and expertise:	Board member since April 2012. Mr Elliott is a co-founder of iCar. He has over 15 years of Asian online experience, with a focus on developing fast moving online business models and monetising online assets. Mr Elliott is also a co-founder of Catcha Group, where he is responsible for all aspects of Catcha Group's corporate finance activities, including mergers and acquisitions, capital raisings and public listings. Mr Elliott has a Bachelor of Commerce degree with a major in Finance from the University of Sydney. Mr Elliott is a director of iProperty Group Limited and iBuy Group Limited, both ASX listed companies, and Catcha Media Berhad, a Malaysia-listed company.
Other current directorships:	iProperty Group Limited, iBuy Group Limited, Catcha Media Berhad
Former directorships (in the last 3 years):	None
Special responsibilities:	Member of the Remuneration & Nomination Committee and member of the Audit & Risk Committee
Interests in shares:	70,265,265
Interests in options:	None

Name:	Shaun Di Gregorio
Title:	Non-independent, non-executive director
Qualifications:	Master in Business Administration from the Australian Graduate School of Management (University of New South Wales) and is a member of the Australian Institute of Company Directors.
Experience and expertise:	Board member since July 2012. Mr Di Gregorio has worked in online classifieds for nearly 15 years and is the Chief Executive Officer of iProperty. Prior to joining iProperty, Mr Di Gregorio spent almost 8 years with the ASX listed REA Group Limited, in which time he was General Manager of Australian operations from 2005 to 2008, and then as General Manager of the REA Group Limited's international businesses. Mr Di Gregorio has also held senior roles at Trader.com and the interactive division of TMP Worldwide.
Other current directorships:	None
Former directorships (in the last 3 years):	None
Special responsibilities:	Chairman of the Remuneration & Nomination Committee and member of the Audit & Risk Committee
Interests in shares:	709,451
Interests in options:	None

Name:	Mark Britt
Title:	Independent non-executive director
Qualifications:	Diploma in Law from LPAB.
Experience and expertise:	Board member since July 2012. Mr Britt is the Chief Executive Officer of the Mi9 group of companies, which include businesses across Australia and New Zealand such as ninemsn, The Daily Mail Australia, Bing, Outlook.com and MSN NZ. Mr Britt has significant executive and commercial experience in the online, advertising and consumer technology fields in Australia, Europe and the Asia Pacific. Prior to joining Mi9 as Chief Executive Officer, Mr Britt spent four years with Microsoft, based in Singapore as General Manager for Consumer and Online. As part of that role, Mr Britt was responsible for expansion strategies into India, China, Japan and Korea. Mr Britt was also previously the Director of Corporate Strategy and Chief Financial Officer of ninemsn, and has worked at Pricewaterhouse Coopers, NASDAQ-listed ISP, People PC and Vizzavi in the United Kingdom.
Other current directorships:	None
Former directorships (in the last 3 years):	None
Special responsibilities:	Member of the Remuneration & Nomination Committee and chairman of the Audit & Risk Committee
Interests in shares:	492,785
Interests in options:	None

Name:	Cameron McIntyre
Title:	Independent non-executive director
Qualifications:	Bachelor of Economics from La Trobe University, Certified Practising Accountant (CPA), Graduate of Harvard Business School General Management Program
Experience and expertise:	Mr McIntyre has been the Chief Financial Officer of carsales.com Limited since 2007 and was previously the Finance Director at Sensis. He has over 18 years of finance and administration experience. Cameron brings a wealth of knowledge and insight into operating leading automotive portals as well as assisting iCar Asia in leveraging it's strategic partnership with carsales.com and the talent and resources that come with it.
Other current directorships:	None
Former directorships (in the last 3 years):	None
Special responsibilities:	Member of the Remuneration & Nomination Committee and member of the Audit & Risk Committee
Interests in shares:	None
Interests in options:	None

Name:	Nick Geddes
Title:	
Qualifications:	Chartered Accountant
Experience and expertise:	Nick Geddes (FCA, FCIS) was appointed director and Company Secretary in April 2012 and subsequently resigned as director on 5 June 2013. Mr Geddes is the principal of Australian Company Secretaries Pty Ltd, a company secretarial practice that he formed in 1993. Mr Geddes is a past President of Chartered Secretaries Australia and a former Chairman of the NSW Council of that Institute. His previous experience, as a Chartered Accountant and Company Secretary, includes investment banking and development and venture capital in Europe, Africa, the Middle East and Asia.
Other current directorships:	None
Former directorships (in the last 3 years):	None
Special responsibilities:	Company secretary
Interests in shares:	76,118
Interests in options:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Nick Geddes

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each board committee held during the year ended 31 December 2013, and the number of meetings attended by each director were:

	Full Board		Board Audit & Risk Committee		Remuneration & Nomination Committee	
	Attended	Held	Attended	Held	Attended	Held
Patrick Grove*	15	15	2	2	1	2
Lucas Elliott	14	15	3	3	3	3
Shaun Di Gregorio	15	15	3	3	3	3
Mark Britt	15	15	3	3	2	3
Nick Geddes (resigned 5 June 2013)	7	7	1	1	1	1
Cameron McIntyre (appointed 26 April 2013)	10	10	2	2	2	2

	Strategy Meeting	
	Attended	Held
Patrick Grove*	2	2
Lucas Elliott	2	2
Shaun Di Gregorio	2	2
Mark Britt	2	2
Nick Geddes (resigned 5 June 2013)	1	1
Cameron McIntyre (appointed 26 April 2013)	2	2

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

* Patrick Grove resigned from Board Audit & Risk Committee and Remuneration & Nomination Committee on 2 September 2013

Remuneration report (audited)

The remuneration report, which has been audited, outlines the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

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

A Principles used to determine the nature and amount of remuneration
B Details of remuneration
C Service agreements
D Share-based compensation
E Additional information

A Principles used to determine the nature and amount of remuneration

The membership, responsibilities, authority and activities of the Remuneration & Nomination Committee are set out in the Remuneration & Nomination Committee Charter, which has been approved by the Board.
The responsibilities of the Remuneration Committee are to:

- monitor, review and recommend to the Board, as necessary and appropriate:
  - the remuneration, superannuation and incentive policies and arrangements for the Chief Executive Officer and key management personnel (i.e. those executives who report directly to the Chief Executive Officer);
  - the remuneration arrangements for Non-Executive Directors on the Board;
  - the recruitment, retention and termination policies and procedures for the Chief Executive Officer and key management personnel; and
  - key appointments and executive succession planning.

- oversee the Group's general remuneration strategy;

- review the composition of the Board including:
  - the criteria for selection of directors, having regard to the need for the breadth and depth of skills and experience on the Board; and
  - the process for selecting new directors.

- monitor the Group's culture and reputation and review behavioural standards on a regular basis, and report and submit recommendations to the Board.

The Chief Executive Officer and the Chief Financial Officer attend meetings by invitation to assist the Committee in its deliberations except on matters associated with their own remuneration.

Advisers

External specialist remuneration advice is sought on an as-needs basis in respect of remuneration arrangements for Non-Executive Directors of the Board and key management personnel of the Group. General reward advice is sought on an ad hoc basis. No external advisors were issued during the current or prior years.

Reward policy

The Company has an established policy for determining the nature and amount of emoluments of Board Members and key management personnel of the Company to align remuneration with the creation of shareholder value. The remuneration structure for the key management personnel seeks to emphasise payment for results.

Reward philosophy

The Company's overall philosophy is to manage the remuneration to:

- create an environment that will attract top talent, and where people can be motivated with energy and passion to deliver superior performance;
- recognise capabilities and promote opportunities for career and professional development;
- provide rewards, benefits and conditions that are competitive within the markets in which the Group operates; and
- provide fair and consistent rewards across the Group, which support corporate principles.

In accordance with the ASXCGPR, the structure of Non-Executive Directors and key management personnel remuneration is separate and distinct.

The company has a policy of ensuring that part of the remuneration of key management personnel is directly linked to the performance of the company. Key management personnel are therefore compensated with fixed remuneration and "at risk" remuneration based on the key performance measures of the company.

Non-executive directors remuneration

The fees paid to Non-Executive Directors on the Board are based on advice and data from the Group's external remuneration advisers. This advice takes into consideration the level of fees paid to Board members of other Australian corporations, the size and complexity of the Group's operations, the activities of the Group and the responsibilities and workload requirements of Board members.

Fees are established from time to time for the Chairman and Non-Executive Directors. The appointment letters for the Non-Executive Directors set out the terms and conditions of their appointments. These terms and conditions are in conjunction with, and subject to, the Company's Constitution and the charters and policies approved by the Board from time to time. Each Non-Executive Director receives a fee for being a Director of the Company. These fees are paid by the issue of iCar shares.

There were no share options granted to directors during or since the end of the financial period.

Executive remuneration

The Company aims to reward key management personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Company and:

- Reward key management personnel for achievement of pre-determined key performance indicators;
- Link reward with the strategic goals and performance of the Company; and
- Ensure total remuneration is competitive by market standards.

The Remuneration for key management personnel and staff will include an annual review using a formal performance appraisal process. The Remuneration Committee recommends to the Board the level of fixed remuneration each year based on the performance of individuals.

The remuneration structure is in two parts:

- Fixed remuneration; and
- Variable remuneration.

Fixed remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration that is both appropriate to the position and is competitive in the market. Fixed remuneration comprises of payroll salary, superannuation and other benefits. Individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation or other benefits.

Variable Remuneration
Comprises of a short-term incentive plan and a long-term incentive plan.

• Short term incentive plan (STI)
Short-term incentives are used to differentiate rewards based on performance on a year by year basis. The principal performance indicator of the short term incentive plan is based on the Company's financial performance and individual achievement of specified goals, for example achieving progress with growth initiatives. The percentage and threshold level can differ for each individual and are reviewed each year. The Company has approved predetermined performance targets that must be met in order to trigger payments under the STI. Payments are made in the form of cash and shares. It is intended that key employees of iCar will be eligible to participate in the STI program.

• Long term incentive plan (LTIP)
iCar has established a long term incentive plan called the iCar Asia Ltd Rights Plan ("Plan"). The Plan is part of the Company's remuneration strategy and is designed to align the interests of management and shareholders and assist iCar in the attraction, motivation and retention of executives. In particular, the Plan is designed to provide relevant executives with an incentive for future performance, with conditions of vesting and exercise of performance rights under the Plan, encouraging those executives to remain with the Company and contribute to the future performance of the Company.

LTI payments granted to each participating key employee depends on the extent to which specific targets set at the beginning of the plan are met. The targets relate to earnings of the company and staff remaining in employment. Payments are made in the form of rights to the Company's shares that generally vest to the employee and become convertible 2 – 3 years after they are granted based on the most recent years earnings performance. It is intended at this stage that only key executives of iCar will be eligible to participate in the Plan. There have been no rights issued to date under the plan.

There were no rights granted, exercised, lapsed or forfeited during the period.

Voting and comments made at the company's 2012 Annual General Meeting ('AGM')
The company received in excess of 75% of 'for' votes in relation to its remuneration report for the year ended 31 December 2012. The company did not receive any specific comments at the AGM in regard to its remuneration practices and report.

B Details of remuneration

Amounts of remuneration
Details of the remuneration of the key management personnel of consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of iCar Asia Limited and Controlled Entities:

- Patrick Grove
- Lucas Elliott
- Mark Britt
- Shaun Di Gregorio
- Cameron McIntyre (Appointed 26 April 2013)
- Nick Geddes (Resigned as director 5 June 2013)

And the following persons:

- Damon Rielly
- Rod Brandenburg (Resigned 27 August 2013)
- Joey Caisse

2013	Short-term benefits			Post-employment benefits	Share-based payments		
Name	Cash salary and fees $	Other $	Non-monetary $	Super-annuation $	Shares & units ** $	Equity-settled $	Total $
Non-Executive Directors:							
P Grove	-	-	-	-	60,000	-	60,000
L Elliott	-	-	-	-	48,000	-	48,000
S Di Gregorio	-	-	-	-	48,000	-	48,000
M Britt	-	-	-	-	48,000	-	48,000
C McIntyre	-	-	-	-	32,000	-	32,000
N Geddes	-	-	-	-	20,000	-	20,000
Other Key Management Personnel:							
D Rielly	250,000	59,756	-	-	187,500	-	497,256
R Brandenburg*	224,234	40,714	-	-	59,800	-	324,748
J Caisse	215,000	48,339	-	-	107,200	-	370,539
	689,234	148,809	-	-	610,500	-	1,448,543

* Resigned 27 August 2013
** Shares to be issued to directors in lieu of fees are to be ratified at the upcoming annual general meeting

No material contracts involving Directors' interests were entered into since the end of the previous financial year, or existed at the end of the year, other than those transactions detailed in related parties note to the financial statements.

2012	Short-term benefits			Post-employment benefits	Share-based payments		
Name	Cash salary and fees $	Other $	Non-monetary $	Super-annuation $	Shares & units $	Equity-settled $	Total $
Non-Executive Directors:							
P Grove	-	-	-	-	20,000	-	20,000
L Elliott	-	-	-	-	16,000	-	16,000
S Di Gregorio	-	-	-	-	82,667	-	82,667
M Britt	-	-	-	-	49,333	-	49,333
N Geddes	-	-	-	-	16,000	-	16,000
Other Key Management Personnel:							
D Rielly	145,833	30,883	-	-	150,000	-	326,716
R Brandenburg	32,400	3,091	-	-	-	-	35,491
J Caisse	16,667	2,839	-	-	-	-	19,506
	194,900	36,813	-	-	334,000	-	565,713

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2013	2012	2013	2012	2013	2012
Non-Executive Directors:						
P Grove	100%	100%	- %	- %	- %	- %
L Elliott	100%	100%	- %	- %	- %	- %
S Di Gregorio	100%	100%	- %	- %	- %	- %
M Britt	100%	100%	- %	- %	- %	- %
C McIntyre	100%	100%	- %	- %	- %	- %
N Geddes	100%	100%	- %	- %	- %	- %
Other Key Management Personnel:						
D Rielly	100%	54%	- %	46%	- %	- %
R Brandenburg *	82%	100%	18%	- %	- %	- %
J Caisse	100%	- %	- %	- %	- %	- %

* Resigned 27 August 2013

In addition to remuneration benefits in the above table, the company paid a premium for a contract insuring all directors of the company and specified executives of the consolidated entity as officers. It is not possible to allocate the benefit of this premium between individual directors or specified executives. In accordance with usual commercial practice, the insurance contract prohibits disclosure of details of the premium paid under the contract.

C Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Mr D Rielly
Title:	Chief Executive Officer
Term of agreement:	End 31 December 2014. 6 months termination notice period by executive and company.
Details:	Base salary cost is AUD 250,000 p.a. *Short term incentive:* Up to AUD 150,000 subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on the VWAP of the shares for the corresponding period. *Long term incentive:* Up to AUD 50,000 subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on the VWAP of the shares for the corresponding period and issued 2 years and 3 months after the period. *Other benefits:* Housing allowance of MYR 12,000 per month (equivalent to approximately AUD 4,100 per month). School fee allowance of up to MYR 50,000 per annum (equivalent to approximately AUD 17,100 per annum).

Name:	Mr R Brandenburg
Title:	Chief Financial Officer (resigned 27 August 2013)
Term of agreement:	End 31 December 2015. 6 months termination notice period by executive and company.
Details:	Base salary cost is AUD 230,000 p.a. *Short term incentive:* Up to AUD 92,000 subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on the VWAP of the shares for the corresponding period. *Long term incentive:* Up to AUD 69,000 subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on the VWAP of the shares for the corresponding period and issued 2 years and 3 months after the period. *Other benefits:* Housing allowance of MYR 8,000 per month (equivalent to approximately AUD 2,800 per month). School fee allowance of up to MYR 35,000 per annum (equivalent to approximately AUD 12,100 per annum).

Name:	Mr J Caisse
Title:	Chief Information Officer
Term of agreement:	End 31 December 2015. 6 months termination notice period by executive and company.
Details:	Base salary cost is AUD 230,000 p.a. *Short term incentive:* Up to AUD 80,000 with payment to be made via shares in the Company at an issue price calculated based on the VWAP of the shares for the corresponding period. *Long term incentive:* Up to AUD 60,000 subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on the VWAP of the shares for the corresponding period and issued 2 years and 3 months after the period. *Other benefits:* Housing allowance of MYR 9,000 per month (equivalent to approximately AUD 3,100 per month). School fee allowance of up to MYR 35,000 per annum (equivalent to approximately AUD 12,100 per annum).

The Remuneration Committee of the Board will recommend each year, reasonable performance measures and targets for use in assessing each Executive's performance. After the end of each financial year, the Remuneration Committee of the Board will review each Executive's performance in comparison to these measures and targets. STI targets (as a percentage of Total Executive Compensation ("TEC")) are to be determined annually by the Board, based on the recommendation of the Remuneration Committee for the coming year. TEC is base remuneration inclusive of superannuation and benefits but excludes leave accrued not taken.

D Share-based compensation

Issue of shares
Details of shares issued to directors and other key management personnel as part of compensation during the year ended 31 December 2013 are set out below:

Name	Date	No of shares	Issue price $
Rod Brandenburg	09/10/2013	140,945	59,800
Patrick Grove	29/04/2013	95,147	20,000
Lucas Elliott	29/04/2013	76,118	16,000
Shaun Di Gregorio	29/04/2013	76,118	16,000
Nick Geddes	29/04/2013	76,118	16,000
Mark Britt	29/04/2013	76,118	16,000
Damon Rielly	08/03/2013	713,606	150,000

Options
There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 31 December 2013.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 31 December 2013.

E Additional information

The Company has a policy of ensuring that at least part of the remuneration of key management personnel is based on the performance of the Company. Key management personnel are compensated with fixed remuneration and "at risk" remuneration based on revenue and earnings targets.

The earnings of the consolidated entity for the two years to 31 December 2013 are summarised below:

	2013 $	2012 $
Sales revenue	1,346,407	306,292
Loss after income tax	(6,884,922)	(1,756,618)
STI cash bonus paid as a % of available	100%	100%

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2013	2012
Share price at financial year end ($A)	0.91	0.20
Basic earnings per share (cents per share)	(4.10)	(2.43)
Diluted earnings per share (cents per share)	(4.10)	(2.43)

This concludes the remuneration report, which has been audited.

Shares under option
There were no unissued ordinary shares of iCar Asia Limited and Controlled Entities under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no shares of iCar Asia Limited and Controlled Entities issued on the exercise of options during the year ended 31 December 2013 and up to the date of this report.

Indemnity and insurance of officers
The company has indemnified all current and previous directors of the consolidated entity, the company secretary and certain members of senior management against all liabilities or loss (other than to the company or a related body corporate) that may arise from their position as officers of the company and its controlled entities, except where the liabilities arise out of conduct involving a lack of good faith or indemnification is otherwise not permitted under the Corporations Act. The indemnity stipulates that the company will meet the full amount of any such liabilities, including costs and expenses, and covers a period of seven years after ceasing to be an officer of the company.

The company has executed deeds of indemnity with each of the non-executive directors.

Indemnity and insurance of auditor
The company's insurance contract does not provide cover for the independent auditors of the company or of a related body corporate of the company.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 22 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 22 to the financial statements do not compromise the external auditor’s independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor’s own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former audit partners of Ernst & Young
There are no officers of the company who are former audit partners of Ernst & Young.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Auditor
Ernst & Young continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Patrick Grove
Chairman

26 February 2014
Kuala Lumpur

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
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Auditor's Independence Declaration to the Directors of iCar Asia Limited

In relation to our audit of the financial report of iCar Asia Limited for the financial year ended 31 December 2013, to the best of my knowledge and belief; there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

D. R. McGregor
Partner
26 February 2014

iCar Asia Limited and Controlled Entities
Financial report
31 December 2013

Contents

General information

The financial report covers iCar Asia Limited and Controlled Entities as a consolidated entity consisting of iCar Asia Limited and Controlled Entities and the entities it controlled. The financial report is presented in Australian dollars, which is iCar Asia Limited and Controlled Entities's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

iCar Asia Limited and Controlled Entities is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office
Level 3
70 Pitt Street
Sydney NSW 2001
Australia

Principal place of business
Level 30, Tower A
Menara UOA Bangsar
No 5 Jalan Bangsar Utama,
59000 Kuala Lumpur
Malaysia

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 27 February 2014.

iCar Asia Limited and Controlled Entities
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2013

	Note	Consolidated 2013 $	2012 $
Revenue	4	1,753,539	306,292
Expenses			
Administration and related expenses		(486,192)	(365,708)
Advertising and marketing expenses		(1,661,372)	(110,229)
Employment related expenses	5	(5,374,524)	(1,435,015)
Premises and infrastructure expenses		(564,389)	(112,564)
Offline production costs		(263,994)	(48,905)
Loss before interest, tax, depreciation and amortisation (EBITDA)		(6,596,932)	(1,766,129)
Depreciation and amortisation expense	5	(312,898)	(12,348)
Loss before interest and tax (EBIT)		(6,909,830)	(1,778,477)
Interest income		99,144	21,859
Interest expense	5	(41,092)	-
Loss before tax		(6,851,778)	(1,756,618)
Income tax (expense)/benefit	6	(50,000)	-
Loss after income tax expense for the year attributable to the owners of iCar Asia Limited and Controlled Entities	18	(6,901,778)	(1,756,618)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(186,866)	(51,283)
Other comprehensive income for the year, net of tax		(186,866)	(51,283)
Total comprehensive income for the year attributable to the owners of iCar Asia Limited and Controlled Entities		(7,088,644)	(1,807,901)
		Cents	**Cents**
Basic earnings per share	31	(4.10)	(2.43)
Diluted earnings per share	31	(4.10)	(2.43)

iCar Asia Limited and Controlled Entities
Statement of financial position
As at 31 December 2013

	Note	Consolidated 2013 $	Consolidated 2012 $
Assets			
Current assets			
Cash and cash equivalents	7	12,481,630	6,273,043
Trade and other receivables	8	523,652	238,388
Other	9	650,754	156,274
Total current assets		13,656,036	6,667,705
Non-current assets			
Property, plant and equipment	10	667,954	245,276
Intangibles	11	6,673,627	4,447,109
Total non-current assets		7,341,581	4,692,385
Total assets		20,997,617	11,360,090
Liabilities			
Current liabilities			
Trade and other payables	12	893,533	1,988,029
Provisions	13	629,825	337,950
Total current liabilities		1,523,358	2,325,979
Non-current liabilities			
Payables	14	1,301,232	-
Borrowings	15	530,013	653,381
Total non-current liabilities		1,831,245	653,381
Total liabilities		3,354,603	2,979,360
Net assets		17,643,014	8,380,730
Equity			
Issued capital	16	36,854,151	21,053,923
Reserves	17	(10,552,741)	(10,916,575)
Accumulated losses	18	(8,658,396)	(1,756,618)
Total equity		17,643,014	8,380,730

The above statement of financial position should be read in conjunction with the accompanying notes

iCar Asia Limited and Controlled Entities
Statement of changes in equity
For the year ended 31 December 2013

	Issued capital $	Foreign currency translation reserve $	Equity reserve $	Share based payment reserve $	Accumulated losses $	Total equity $
Consolidated						
Balance at 10 April 2012	-	-	-	-	-	-
Loss after income tax expense for the period		-	-	-	(1,756,618)	(1,756,618)
Other comprehensive income for the period, net of tax	-	(51,283)	-	-	-	(51,283)
Total comprehensive income for the period	-	(51,283)	-	-	(1,756,618)	(1,807,901)
Transactions with owners in their capacity as owners:						
Contributions of equity	22,181,115	-	-	-	-	22,181,115
Transaction costs	(1,127,192)	-	-	-	-	(1,127,192)
Equity reserve from acquisition	-	-	(10,965,292)	-	-	(10,965,292)
Share-based payments	-	-	-	100,000	-	100,000
Balance at 31 December 2012	21,053,923	(51,283)	(10,965,292)	100,000	(1,756,618)	8,380,730

	Issued capital $	Foreign currency translation reserve $	Equity reserve $	Share based payment reserve $	Accumulated losses $	Total equity $
Consolidated						
Balance at 1 January 2013	21,053,923	(51,283)	(10,965,292)	100,000	(1,756,618)	8,380,730
Loss after income tax expense for the year	-	-	-	-	(6,901,778)	(6,901,778)
Other comprehensive income for the year, net of tax	-	(186,866)	-	-	-	(186,866)
Total comprehensive income for the year	-	(186,866)	-	-	(6,901,778)	(7,088,644)
Transactions with owners in their capacity as owners:						
Issue of shares	15,819,213	-	-	-	-	15,819,213
Transaction costs	(18,985)	-	-	-	-	(18,985)
Shares to be issued in lieu of directors' remuneration	-	-	-	256,000	-	256,000
Shares to be issued in lieu of STI	-	-	-	294,700	-	294,700
Balance at 31 December 2013	36,854,151	(238,149)	(10,965,292)	650,700	(8,658,396)	17,643,014

The above statement of changes in equity should be read in conjunction with the accompanying notes

iCar Asia Limited and Controlled Entities
Statement of cash flows
For the year ended 31 December 2013

	Note	Consolidated 2013 $	2012 $
Cash flows from operating activities			
Receipts from customers		1,061,143	188,861
Payments to suppliers and employees		(6,954,658)	(1,732,969)
		(5,893,515)	(1,544,108)
Interest received		312,564	21,859
Interest paid		(41,092)	-
Net cash used in operating activities	30	(5,622,043)	(1,522,249)
Cash flows from investing activities			
Payments for property, plant and equipment		(562,750)	(99,636)
Payments for intangibles		(577,574)	(494,880)
Payment for purchase of subsidiary, net of cash acquired		(1,053,695)	(633,000)
Net cash used in investing activities		(2,194,019)	(1,227,516)
Cash flows from financing activities			
Proceeds from issue of shares		14,210,858	10,150,000
Share issue transaction costs		(18,985)	(1,127,192)
Repayment of borrowings		(167,224)	-
Net cash from financing activities		14,024,649	9,022,808
Net increase in cash and cash equivalents		6,208,587	6,273,043
Cash and cash equivalents at the beginning of the financial year		6,273,043	-
Cash and cash equivalents at the end of the financial year	7	12,481,630	6,273,043

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted
The Group has adopted the following new and amended Australian Accounting Standards in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements.

• AASB 10 Consolidated Financial Statements
• AASB 11 Joint Arrangements
• AASB 12 Disclosure of Interests in Other Entities
• AASB 13 Fair Value Measurement
• AASB 119 Employee Benefits

In adopting AASB 10 Consolidated Financial Statements, the consolidated entity reviewed all of the entities in which it has, or had, an equity interest and applied the new guidance to each of these investments. The consolidated entity was not required to consolidate any additional entities in applying the requirements of the new standard.

AASB 10 Consolidated Financial Statements
The consolidated entity has applied AASB 10 from 1 January 2013, which has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns (e.g. dividends, remuneration, returns that are not available to other interest holders including losses) from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights (e.g. voting rights, potential voting rights, rights to appoint key management, decision making rights, kick out rights) that give it the current ability to direct the activities that significantly affect the investee's returns (e.g. operating policies, capital decisions, appointment of key management). The consolidated entity has considered its holdings and rights and the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes.

AASB 11 Joint Arrangements
The consolidated entity has applied AASB 11 from 1 January 2013. The standard defines which entities qualify as joint arrangements and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets will use equity accounting. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities will account for the assets, liabilities, revenues and expenses separately, using proportionate consolidation.

AASB 12 Disclosure of Interests in Other Entities
The consolidated entity has applied AASB 12 from 1 January 2013. The standard contains the entire disclosure requirement associated with other entities, being subsidiaries, associates and joint ventures. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation - Special Purpose Entities'.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13
The consolidated entity has applied AASB 13 and its consequential amendments from 1 January 2013. The standard does not prescribe when to use fair value. Instead it provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and it provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is be used to measure assets whereas liabilities would be based on transfer value.

Note 1. Significant accounting policies (continued)

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)
The consolidated entity has applied AASB 119 and its consequential amendments from 1 January 2013. The standard eliminates the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The standard also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Comparative Amounts
The comparatives included in these financial statements are for the period 10 April 2012 up to and including 31 December 2012.

Measurement of Company Operating Performance
Earnings before interest, income tax expense, depreciation and amortisation (EBITDA) reflects the net profit for the year prior to including the effect of interest, income taxes, depreciation and amortisation. Depreciation and amortisation are calculated in accordance with AASB 116 Property, Plant and Equipment, AASB 138 Intangible Assets and Interest is calculated in accordance with AASB 139 Financial Instruments: Recognition and Measurement respectively.

Management used EBITDA and earnings before interest and income tax expense (EBIT), in combination with other financial measures, primarily to evaluate the Company's operating performance before financing costs, income tax and non cash capital related expenses. Additionaly, the company believes EBITDA is useful to investors because analysts and other members of the investment community largely view EBITDA as a key measure of operating performance.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 26.

Note 1. Significant accounting policies (continued)

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of iCar Asia Limited and Controlled Entities ('company' or 'parent entity') as at 31 December 2013 and the results of all subsidiaries for the year then ended. iCar Asia Limited and Controlled Entities and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. Refer to the 'business combinations' accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 1. Significant accounting policies (continued)

Foreign currency translation
The financial report is presented in Australian dollars, which is iCar Asia Limited and Controlled Entities's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

On consolidation, the assets and liabilities of the consilidated entity's foreign operations are translated into Australian dollars at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the consolidated entity's translation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed.

Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the consolidated entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services
Revenue is recognised where the contract outcome can be estimated reliably and control of the right to be compensated for their service and the stage of completion can be reliably measured. Advance billings are deferred and released in the appropriate period when the service is delivered. Prepayments are capitalised and released in the appropriate period when service is delivered.

Interest
Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Note 1. Significant accounting policies (continued)

Income tax
The income tax expense or benefit for the period is the tax payable on that 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 differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or 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 nor taxable profits; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets is reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

Where current and deferred tax arises from the initial accounting for a business combination, it is taken into account in the determination of goodwill or excess.

Cash and cash equivalents
Cash comprises cash on hand and on demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days for direct client billings and 90 days for agency billings.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Note 1. Significant accounting policies (continued)

Property, plant and equipment
Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment. Depreciation is calculated using either straight line or diminishing value based on the assess appropriateness of each method for each entity within the company. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The following estimated useful lives are used in the calculation of depreciation:

Plant and equipment	2-5 years
Office equipment	3-5 years
Furniture and fittings	3-5 years
Leased plant and equipment	3-5 years

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Leased assets
Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases. Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset. Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Lease incentives
In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Note 1. Significant accounting policies (continued)

Intangible assets

Goodwill
Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

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.

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. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An 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. 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 acquired separately.

Intangible assets acquired in a business combination
Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Acquired software
Software is not considered to have an indefinite life and is generally amortised over 3 - 5 years. If at any point the software is no longer is in use or contributing to add value it will be written down to zero.

Note 1. Significant accounting policies (continued)

Impairment of non-financial assets
Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit 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 unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

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

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in income over the period of the borrowing using the effective interest rate method. All borrowing costs are recognised in profit or loss in the period in which they are incurred.

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.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including:
- interest on short-term and long-term borrowings

Provisions
Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Note 1. Significant accounting policies (continued)

Employee benefits

Wages and salaries, annual leave and long service leave
A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the comsilidated entity in respect of services provided by employees up to reporting.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed when incurred.

Share-based payments
The consolidated entity measures the cost of equity settled transactions with employees and other parties based on the fair value of the equity provided at the time of exchange. Where this is with an external party this is generally based on an appropriate time framed Volume Weighted Average Price (VWAP) of iCar Asia shares traded on the ASX at the time of settlement.

Where it is with employees in relation to performance payments in the future, the fair value is estimated based on an estimation of the probability of all performance criteria being met. This value is then used to discount the current value of the equity to determine an appropriate amount to be expensed each period until the vesting date. The estimate will have no impact on the carrying amount of the assets or liabilities of the company but may impact the value of expenses and equity in the current and future periods. Any variance in the possible amounts is not considered by the board to be material.

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 is 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.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity 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.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 1. Significant accounting policies (continued)

Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of iCar Asia Limited and Controlled Entities, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 1. Significant accounting policies (continued)

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2013. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The consolidated entity 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 using an appropriate time framed VWAP of iCar Asia shares traded on the ASX at the time of settlement taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Provision for impairment of receivables
The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position.

The fair value of financial instruments classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Business combinations
As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 3. Operating segments

Identification of reportable operating segments
Information reported to the company's executive management team (the chief operating decision makers) for the purposes of resource allocation and assessment of performance is more specifically focused on the geographic location of services provided. The company operates in only one business segment which is the online advertising segment.

The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The company's reportable segments are as follows:

Malaysia	Thailand
Indonesia	Corporate

Intersegment transactions
Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

Allocation of resources between segments
All assets are allocated to reportable segments other than any interests in associates, other financial assets, and current and deferred tax assets. Assets used by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

All liabilities are allocated to reportable segments other than borrowings, other financial liabilities, current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

Major customers
Revenue is generated from external customers. The consolidated entity does not have a major customer that contributes 10% or more to the consilidated entity's revenue.

Note 3. Operating segments (continued)

Operating segment information

Consolidated - 2013	Malaysia $	Indonesia $	Thailand $	Corporate $	Intersegment eliminations/ unallocated $	Total $
Revenue						
Sales	1,102,483	16,544	227,380	-		1,346,407
Total sales revenue	1,102,483	16,544	227,380	-	-	1,346,407
Other revenue	-	-	-	99,144	-	99,144
Interest Revenue	-	-	-	407,132	-	407,132
Total revenue	1,102,483	16,544	227,380	506,276	-	1,852,683
Total revenue	1,102,484	16,545	227,378	407,132	-	1,753,539
Depreciation and amortisation	(173,180)	(65,230)	(74,488)	-	-	(312,898)
Finance costs	(41,092)	-	-	-	-	(41,092)
Other non-cash expenses	(3,374,362)	(1,124,149)	(1,137,829)	(2,614,987)	-	(8,251,327)
Loss before income tax expense	(2,486,150)	(1,172,834)	(984,939)	(2,207,855)	-	(6,851,778)
Income tax expense						(50,000)
Loss after income tax expense						(6,901,778)
Assets						
Segment assets	3,900,025	3,083,307	1,531,800	12,482,485	-	20,997,617
Total assets						20,997,617
Liabilities						
Segment liabilities	2,539,906	160,759	259,580	394,358	-	3,354,603
Total liabilities						3,354,603

Note 3. Operating segments (continued)

Consolidated - 2012	Malaysia $	Indonesia $	Thailand $	Corporate $	Intersegment eliminations/ unallocated $	Total $
Revenue						
Sales to external customers	261,335	3,606	41,351		-	306,292
Total sales revenue	261,335	3,606	41,351	-	-	306,292
Interest Revenue	-	-	-	21,859	-	21,859
Total revenue	261,335	3,606	41,351	21,859	-	328,151
Total revenue	261,335	3,606	41,351	21,859	-	328,151
Total expenses	(968,717)	(264,121)	(89,219)	(762,712)	-	(2,084,769)
Loss before income tax expense	(707,382)	(260,515)	(47,868)	(740,853)	-	(1,756,618)
Income tax expense						-
Loss after income tax expense						(1,756,618)
Assets						
Segment assets	1,503,978	711,258	831,009	8,313,845	-	11,360,090
Total assets						11,360,090
Liabilities						
Segment liabilities	890,658	39,936	19,179	2,029,587	-	2,979,360
Total liabilities						2,979,360

Note 4. Revenue

	Consolidated 2013 $	Consolidated 2012 $
Sales revenue		
Rendering of services	1,346,407	306,292
Other revenue		
Interest	407,132	21,859
Other revenue	99,144	-
	506,276	21,859
Revenue	1,852,683	328,151

Note 5. Expenses

	Consolidated	
	2013	**2012**
	$	**$**
Loss before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	25,455	2,128
Plant and equipment	100,700	5,978
Fixtures and fittings	8,710	4,004
Total depreciation	134,865	12,110
Amortisation		
Websites, domain names, trademarks and other intangibles	178,033	238
Total depreciation and amortisation	312,898	12,348
Finance costs		
Interest and finance charges paid/payable	41,092	-
Employment and related expenses		
Salaries and wages	3,102,649	767,279
Super and pension related	234,844	35,154
Commissions	17,296	273,566
Other employment benefits	409,680	74,614
Other employment related	475,097	184,402
Share base payments - equity setted	610,500	100,000
Incentives/Bonus	519,841	-
Compensated leave	4,617	-
Total employment and related expenses	5,374,524	1,435,015

There are currently 190 full-time employees.

Note 6. Income tax expense

	Consolidated 2013 $	2012 $
Income tax expense		
Current tax	50,000	-
Aggregate income tax expense	50,000	-
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(6,851,778)	(1,756,618)
Tax at the statutory tax rate of 30%	(2,055,533)	(526,985)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Effect of different tax rates of subsidiaries operating in other jurisdictions	336,003	53,182
Temporary differences - accruals and provisions	298,451	143,556
Deductible costs relating to share issue expenses	(67,632)	(22,544)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	1,538,711	352,791
Income tax expense	50,000	-

	Consolidated 2013 $	2012 $
Deferred tax assets not recognised		
Tax losses of revenue nature	2,053,477	352,791
Deductible transaction costs arising on shares issued	-	22,544
Total deferred tax assets not recognised	2,053,477	375,335

The above potential tax benefit has not been recognised in the statement of financial position as in the opinion of the directors the recovery of this benefit is uncertain due to insufficient Australia sources taxable income generation to utilise the losses and/or future deductions.

Note 7. Current assets - cash and cash equivalents

	Consolidated 2013 $	2012 $
Cash at bank	315,596	1,773,043
Cash on deposit	12,166,034	4,500,000
	12,481,630	6,273,043

Note 8. Current assets - trade and other receivables

	Consolidated	
	2013	2012
	$	$
Trade receivables	523,652	238,388

The average credit period on rendering of services is 30 days for direct client billings and 90 days for agency billings. The consolidated entity does not charge interest on trade receivables for amounts owing past due date neither does it hold collateral over these balances. A provision for doubtful debts has been provided for estimated irrecoverable trade receivables past credit period determined by reference to past default experience and the change in quality of trade receivables.

The carrying amounts of trade receivable are assumed to approximate their fair value due to their short term nature.

Impairment of receivables
The consolidated entity has recognised a loss of $nil (2012: $nil) in profit or loss in respect of impairment of receivables for the year ended 31 December 2013.

Past due but not impaired
Customers with balances past due but without provision for impairment of receivables amount to $523,652 as at 31 December 2013 ($192,880 as at 31 December 2012).

The consolidated entity did not consider a credit risk on the aggregate balances after reviewing credit terms of customers based on recent collection practices.

The ageing of the past due but not impaired receivables are as follows:

	Consolidated	
	2013	2012
	$	$
0-30 days	190,119	40,018
31-60 days	259,093	106,059
61-90 days	19,142	46,803
90 plus days	55,298	-
	523,652	192,880

Note 9. Current assets - other

	Consolidated	
	2013	2012
	$	$
Prepayments	216,484	114,433
Other deposits	184,625	41,841
Accrued interest and GST receivable	249,645	-
	650,754	156,274

Note 10. Non-current assets - property, plant and equipment

	Consolidated 2013 $	Consolidated 2012 $
Leasehold improvements - at cost	158,537	119,092
Less: Accumulated depreciation	(27,598)	(10,085)
	130,939	109,007
Plant and equipment - at cost	612,397	116,290
Less: Accumulated depreciation	(125,661)	(13,697)
	486,736	102,593
Furniture and fittings - at cost	64,878	37,680
Less: Accumulated depreciation	(14,599)	(4,004)
	50,279	33,676
	667,954	245,276

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Leasehold improvements $	Plant and equipment $	Furniture and fittings $	Total $
Consolidated				
Balance at 10 April 2012	-	-	-	-
Additions	20,030	41,926	37,680	99,636
Additions through business combinations (note 27)	91,105	66,645	-	157,750
Depreciation expense	(2,128)	(5,978)	(4,004)	(12,110)
Balance at 31 December 2012	109,007	102,593	33,676	245,276
Additions	39,445	496,107	27,198	562,750
Exchange differences	7,942	(11,264)	(1,885)	(5,207)
Depreciation expense	(25,455)	(100,700)	(8,710)	(134,865)
Balance at 31 December 2013	130,939	486,736	50,279	667,954

Note 11. Non-current assets - intangibles

	Consolidated 2013 $	Consolidated 2012 $
Goodwill - at cost	4,701,600	2,600,000
	4,701,600	2,600,000
Other intangible assets - at cost	2,150,297	1,847,347
Less: Accumulated amortisation	(178,270)	(238)
	1,972,027	1,847,109
	6,673,627	4,447,109

Note 11. Non-current assets - intangibles (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Goodwill $	Other intangibles $	Total $
Consolidated			
Balance at 10 April 2012	-	-	-
Additions through business combinations (note 27)	2,600,000	1,847,347	4,447,347
Amortisation expense	-	(238)	(238)
Balance at 31 December 2012	2,600,000	1,847,109	4,447,109
Additions	400,000	377,573	777,573
Additions through business combinations (note 27)	1,737,812	-	1,737,812
Exchange differences	(36,212)	(74,623)	(110,835)
Amortisation expense	-	(178,032)	(178,032)
Balance at 31 December 2013	4,701,600	1,972,027	6,673,627

Goodwill is allocated for impairment testing purposes to the Indonesia cash generating unit with a carrying value of $2,380,784 (2012: $2,600,000) after adjusting for foreign exchange rates at the balance sheet date.

Goodwill of $418,827 is allocated to the Thailand cash generating unit after adjusting for foreign exchange rates at the balance sheet date.

Goodwill of $1,901,989 is allocated to the Malaysian cash generating unit after adjusting for foreign exchange rates at the balance sheet date.

Domain names and websites are amortised over 10 years. Indefinite life intangibles are allocated to the cash-generating units for which they relate. No impairment was considered necessary. Software is amortised over 3-5 years.

	Consolidated	
	2013 $	**2012 $**
Evo licence (Malaysia)	663,636	640,000
Autospinn.com website (Thailand)	625,029	785,117
Mobil 123.com website (Indonesia)	329,723	400,000
Website development (external)	353,639	21,992
	1,972,027	1,847,109

Note 11. Non-current assets - intangibles (continued)

The consolidated entity performed its annual impaired test at 30 June 2013. The consolidated entity considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 31 December 2013, the market capitalisation of the group was above the book value of its equity and therefore not an indicator of impairment.

The recoverable amount of the cash-generating units are determined based on a value in use calculation which uses cash flow projections based on the financial budgets approved by management for the 2014 financial year. The budget is then extrapolated for a further four years at project growth rates for both revenue and costs which management consider are appropriate for the markets the CGU's operate, to which a discount rate is applied. Given the sensitivity of growth rates for both revenue and expenses due to the stage of where the consolidated entity and the markets for which the it operates are at, a range of possible scenarios are modelled to assess the carrying value of goodwill for impairment.

Management have determined the appropriate terminal value growth rate and discount rate applies based on the risk free rate plus a risk margin appropriate for the market the GCU operates in. This is as follows:

	Discount rate	Terminal Growth rate	Revenue Growth Rates
Malaysia	11.5%	3%	203%
Thailand	13.5%	4%	376%
Indonesia	16.0%	6%	4,766%

Other scenarios have been modelled at possible higher discount rates and none of these scenarios indicate impairment. Similarly a range of terminal value growths rates (from 3% - 6% depending on the market) have been used in these calculations, with none of these inputs indicating impairment in any CGU.

Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregated carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

The discount cash flow method of measurement was used to estimate the recoverability of those assets. The recoverable amount using the stated method of calculation was greater than the carrying value of the stated assets and accordingly there was no impairment.

Note 12. Current liabilities - trade and other payables

	Consolidated 2013 $	Consolidated 2012 $
Trade payables	756,705	273,301
Billings in advance	136,828	83,613
Deferred consideration	-	1,631,115
	893,533	1,988,029

Refer to note 20 for further information on financial instruments.

The average credit period on purchases is normally 30 to 60 days. No interest is payable on trade payables. The consolidated entity has financial risk management in place to ensure that all payables are paid within the credit time frame.

The deferred consideration in the prior period relates to future earn out provisions in relation to the acquisition of the second 50% of Auto Discounts Sdn Bhd owner of Carlist.my (A$ 1,475,000 in cash) and the domain Autospinn.com (THB 5,000,000 (A$ 156,115) in cash) as outlined in the company prospectus. These amounts were all paid during to the current year.

Note 13. Current liabilities - provisions

	Consolidated 2013 $	Consolidated 2012 $
Employee benefits	148,487	28,497
Staff incentives and bonuses	79,946	231,487
Other	401,392	77,966
	629,825	337,950

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	Staff incentives & bonuses $	Other $
Consolidated - 2013		
Carrying amount at the start of the year	231,487	77,966
Additional provisions recognised	243,159	323,426
Amounts used	(394,700)	-
Carrying amount at the end of the year	79,946	401,392

Note 14. Non-current liabilities - payables

	Consolidated	
	2013	2012
	$	$
Deferred consideration	1,301,232	-

Refer to note 20 for further information on financial instruments.

The deferred consideration is in relation to the acquisition of DQBP Snd Bhd completed on 8 March 2013, to be paid in cash and shares upon meeting of performance criteria.

Note 15. Non-current liabilities - borrowings

	Consolidated	
	2013	2012
	$	$
Other loans	16,369	22,467
Shareholder loans	513,644	630,914
	530,013	653,381

Refer to note 20 for further information on financial instruments.

In the prior year, loans of $473,186 (RM 1,500,000) and $157,728 (RM 500,000) were advanced to the consolidated entity from a shareholder of Auto Discounts Sdn Bhd and from Catcha Group Pte Ltd respectively. During the year, the loan from Catcha Group Pte Ltd was repaid in full. Interest is charged at a rate of 8% payable per annum on the shareholder loan of $513,644 (RM 1,500,000) which is repayable in financial year 2017.

Note 16. Equity - issued capital

	Consolidated		Consolidated	
	2013	2012	2013	2012
	Shares	Shares	$	$
Ordinary shares - fully paid	184,667,041	139,405,573	36,854,151	21,053,923

Note 16. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	No of shares	$
Balance	10 April 2012	-	-
Issue of shares		139,405,573	22,181,115
Share issue costs			(1,127,192)
Balance	31 December 2012	139,405,573	21,053,923
Issue of shares - business purchase	8 March 2013	147,500	29,500
Issue of shares - asset purchase	8 March 2013	690,741	200,000
Issue of shares - STI to employees	8 March 2013	713,606	150,000
Issue of shares - business purchase	18 March 2013	1,196,816	347,555
Issue of shares - directors remuneration	29 April 2013	399,619	84,000
Issue of shares - carsales.com Ltd	29 April 2013	35,797,604	13,424,102
Issue of shares - employees	29 April 2013	1,536,000	430,080
Issue of shares - business purchase	11 September 2013	3,687,500	737,500
Issue of shares - STI to employees	11 September 2013	140,945	59,800
Issue of shares - carsales.com Ltd	11 September 2013	951,137	356,676
Share issue costs			(18,985)
Balance	31 December 2013	184,667,041	36,854,151

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Rights to ordinary shares granted to employees carry no rights to dividends and no voting rights. Further details of the employee share option plan are contained below and in the directors' report.

Capital risk management
The consolidated entity 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 debt and equity balance.

The consolidated entity's capital risk management policy remains unchanged from the 31 December 2012 Annual Report. The capital structure of the consolidated entity includes equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. The consolidated entity operates in various countries, primarily through subsidiary companies established in the markets in which the consolidated entity operates.

The consolidated entity has sufficient cash to fund operating cash flows to maintain its current level of operations as well as to make the routine outflows of tax and the payment of any earn outs under contract. The consolidated entity is not subject to any externally imposed capital requirements.

Note 17. Equity - reserves

	Consolidated 2013 $	Consolidated 2012 $
Foreign currency reserve	(238,149)	(51,283)
Share-based payments reserve	650,700	100,000
Equity reserves	(10,965,292)	(10,965,292)
	(10,552,741)	(10,916,575)

	Foreign currency reserve $	Share-based payments reserve $	Equity reserves $	Total $
Consolidated				
Balance at 10 April 2012	-	-	-	-
Foreign currency translation	(51,283)	-	-	(51,283)
Share-based payments	-	100,000	-	100,000
Amounts arising from the acquisition of interest in controlled entity	-	-	(10,965,292)	(10,965,292)
Balance at 31 December 2012	(51,283)	100,000	(10,965,292)	(10,916,575)
Foreign currency translation	(186,866)	-	-	(186,866)
Shares to be issued in lieu of directors remuneration	-	256,000	-	256,000
Shares to be issued in lieu of	-	294,700	-	294,700
Balance at 31 December 2013	(238,149)	650,700	(10,965,292)	(10,552,741)

Note 18. Equity - accumulated losses

	Consolidated 2013 $	Consolidated 2012 $
Accumulated losses at the beginning of the financial year	(1,756,618)	-
Loss after income tax expense for the year	(6,901,778)	(1,756,618)
Accumulated losses at the end of the financial year	(8,658,396)	(1,756,618)

Note 19. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 20. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The consolidated entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Foreign currency risk

The consolidated entity is mainly exposed to Malaysian Ringgit (MYR), Indonesian Rupiah (IDR) and Thai Baht (THB) as a result of the operation of its subsidiaries in those markets. Foreign currency risk arises when future commercial transactions and recognised financial assets and liabilities are denominated in a currency that is not the entity's functional currency. As there is no material exposure to foreign currency risk within the financial assets and financial liabilities outside of each operating entity's functional currency, no sensitivity analysis has been prepared.

Interest rate risk

The consolidated entity's exposure to interest rate risk is limited to the movement in interest rate in terms of its cash held at bank.

	2013		2012	
	Weighted average interest rate %	**Balance $**	**Weighted average interest rate %**	**Balance $**
Consolidated				
Cash at bank	3.27	12,481,630	0.92	6,273,043
Net exposure to cash flow interest rate risk		12,481,630		6,273,043

An analysis by remaining contractual maturities in shown in 'liquidity and interest rate risk management' below.

	Basis points increase			Basis points decrease		
Consolidated - 2013	**Basis points change**	**Effect on profit before tax**	**Effect on equity**	**Basis points change**	**Effect on profit before tax**	**Effect on equity**
Cash at bank	50	62,408	-	50	(62,408)	-

	Basis points increase			Basis points decrease		
Consolidated - 2012	**Basis points change**	**Effect on profit before tax**	**Effect on equity**	**Basis points change**	**Effect on profit before tax**	**Effect on equity**
Cash at bank	50	11,930	-	50	(11,930)	-

Note 20. Financial instruments (continued)

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity adopted a policy of generally dealing with reputable counterparties as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers and ongoing credit evaluation is performed on the accounts regularly. The consolidated entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties. The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the consolidated entity's maximum exposure to credit risk.

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

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2013	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	893,533	-	-	-	893,533
Deferred consideration	-	-	1,301,232	-	-	1,301,232
Total non-derivatives		893,533	1,301,232	-	-	2,194,765

Consolidated - 2012	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	356,914	-	-	-	356,914
Deferred consideration	-	1,631,115	-	-	-	1,631,115
Total non-derivatives		1,988,029	-	-	-	1,988,029

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

Note 21. Key management personnel disclosures

Directors
The following persons were directors of iCar Asia Limited and Controlled Entities during the financial year:

Patrick Grove	Chairman
Lucas Elliott	Non Executive
Shaun Di Gregorio	Non Executive
Mark Britt	Non Executive
Nick Geddes (resigned as a director 5 June 2013)	Non Executive / Company Secretary
Cameron McIntyre (appointed 26 April 2013)	Non Executive

Other key management personnel
The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Damon Rielly	Chief Executive Officer
Rod Brandenburg (resigned 27 August 2013)	Chief Financial Officer
Joey Caisse	Chief Information Officer

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated 2013 $	2012 $
Short-term employee benefits	897,843	465,713
Share-based payments	550,700	100,000
	1,448,543	565,713

There were no share options or tax deferred shares granted during the year. Only payments already settled in shares are dislcosed as share-based payments above.

Shareholding
The number of shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2013	Balance at the start of the year	Received as part of remuneration*	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Patrick Grove	80,094,000	171,265	-	(10,000,000)	70,265,265
Lucas Elliott	80,094,000	171,265	-	(10,000,000)	70,265,265
Shaun Di Gregorio	833,333	76,118	-	(200,000)	709,451
Mark Britt	416,667	76,118	-	-	492,785
Nick Geddes**	-	76,118	-	(76,118)	-
Rod Brandenburg***	500,000	-	1,140,945	(1,640,945)	-
	161,938,000	570,884	1,140,945	(21,917,063)	141,732,766

* Issue of securities for the year ended 31 December 2012, as approved at AGM held on 26 April 2013
** Held 76,118 shares at date of resignation
*** Held 1,640,945 shares at date of resignation

Note 21. Key management personnel disclosures (continued)

2012	Balance at the start of the year	Received as part of remuneration	Additions	Other *	Balance at the end of the year
Ordinary shares					
Patrick Grove	-	-	-	80,094,000	80,094,000
Lucas Elliott	-	-	-	80,094,000	80,094,000
Shaun Di Gregorio **	-	-	833,333	-	833,333
Mark Britt **	-	-	416,667	-	416,667
Rod Brandenburg	-	-	500,000	-	500,000
	-	-	1,750,000	160,188,000	161,938,000

* Both Patrick Grove and Lucas Elliott have a relevant interest in securities held by Catcha Group Pte Ltd,Catcha Media Berhad and iProperty Group Asia Pte Ltd which amounts to 80,094,000 shares as at 31 December 2012.

** Shares issued to Shaun Di Gregorio and Mark Britt were at an issue price of 12 cents per share, fair value was 20 cents and the discount has been recorded as remuneration. The total discount was $100,000, Shaun Di Gregorio $66,667 and Mark Britt $33,333.

As at 31 December 2012, there were shares granted but not yet issued to directors and key management personnel given they were subject to shareholder approval at the next annual general meeting. The cost of these shares has been included in non-executive directors remuneration. The number of shares granted are as follows: Patrick Grove 95,147, Lucas Elliott 76,118, Shaun Di Gregorio 76,118, Mark Britt 76,118 and Nick Geddes 76,118.

As at 31 December 2013, there were shares granted but not yet issued to directors given they were subject to shareholder approval at the next annual general meeting. The cost of these shares has been included in non-executive directors remuneration. The number of shares to be granted has not yet been determined.

There were no share options issued during the period. There were no share rights issued to key management personnel during the period.

Related party transactions
Related party transactions are set out in note 25.

Note 22. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the company:

	Consolidated	
	2013	**2012**
	$	**$**
Audit services - Ernst & Young		
Audit or review of the financial statements	101,500	65,000
Other services - Ernst & Young		
Investigative accountant services during the IPO	-	135,000
	101,500	200,000

The fees paid to Ernst & Young for the group audit are inclusive of auditing the financial accounts of the subsidiaries and their respective local annual reports. The fees are not allocated.

Note 23. Contingent liabilities

There are various claims that arise in the ordinary course of business against iCar Asia Limited and its subsidiaries. The amounts of any liability (if any) at 31 December 2013 cannot be ascertained and iCar Asia Limited believes that any resulting liability would not materially affect the position of the consolidated entity.

Note 24. Commitments

	Consolidated	
	2013	**2012**
	$	**$**
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	153,243	118,887
One to five years	36,630	110,935
	189,873	229,822

Operating lease commitments relate to premises occupied by the conolidated entity with lease terms currently still available of less than 2 years. The consolidated entity does not have an option to purchase the premises at the expiry of the lease period.

Note 25. Related party transactions

Parent entity
iCar Asia Limited and Controlled Entities is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 28.

Key management personnel
Disclosures relating to key management personnel are set out in note 21 and the remuneration report in the directors' report.

Transactions with related parties
Administrative services, facilities, accountancy and occupancy fees of $8,595 (2012: $889,543) were charged by PT Web Marketing, a company in the iProperty Group associated with Patrick Grove and Lucas Elliott. The amount includes expenses paid on behalf of the consolidated entity prior to it opening a bank account as well as an amount retained by PT Web Marketing for services performed. The outstanding unpaid balance at the end of the period was $0(2012:$31,501).

Company secretarial fees and expenses incurred on behalf of the consolidated entity of $79,487 (2012: $73,081) were charged by Australian Company Secretaries Pty Ltd, a company associated with Nick Geddes. The outstanding unpaid balance was $4,979 (2012: $5,009).

Director and director-related entities hold directly, indirectly or beneficially interests of 71,467,501 (2012: 81,344,000) in the ordinary shares of the company as at the reporting date.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Note 25. Related party transactions (continued)

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2013	2012
	$	$
Current borrowings:		
Loan from entity with significant influence	-	157,729

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 26. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2013	2012
	$	$
Loss after income tax	(721,400)	(740,854)
Total comprehensive income	(721,400)	(740,854)

Statement of financial position

	Parent	
	2013	2012
	$	$
Total current assets	15,132,411	5,893,420
Total assets	25,687,611	11,887,458
Total current liabilities	176,388	2,029,589
Total liabilities	176,388	2,029,589
Equity		
Issued capital	36,854,151	21,053,923
Share-based payments reserve	650,700	100,000
Equity reserves	(10,531,374)	(10,555,200)
Accumulated losses	(1,462,254)	(740,854)
Total equity	25,511,223	9,857,869

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 27. Business combinations

Livelifedrive.com

On 7 January 2013, the consolidated entity entered into an agreement to acquire 100% of DQBP Sdn Bhd, owner of the website and magazine "Live Life Drive", and the deal was completed on 8 March 2013. The total potential consideration was MYR 6.5 million being MYR 3 million in cash and MYR 3.5 million is shares. The directors consider that MYR 1 million performance based consideration is unlikely to be achieved and paid. Out of the balance of MYR 5.5 million, approximately AUD 1.7 million, MYR 1.7 million, approximately AUD 0.5 million, was paid in cash and shares on completion and MYR 3.8 million, approximately AUD 1.3 million (2012: AUD 1.2 million) are payable subject to meeting certain performance targets and warranty periods.

The accounting for this acquistion has not been finalised and the MYR 5.5 million (AUD 1.7 million) estimated consideration has been previously accounted for as goodwill. Goodwill is attributable to revenue growth and increased customer engagement. As at the balance sheet date, goodwill had been revalued for changes in foreign exchange rates. Refer to note 11 non-current assets - intangibles for further information.

The acquisition of livelifedrive.com, the fastest growing automotive site in Malaysia, was primarily a content and vehicle specification data build out of iCar Asia's proposition in Malaysia to grow both new car and used car markets, plus indepth market information to further increase leads as the number 1 digital automotive market place in Malaysia.

The Directors do not consider it practical to estimate what consolidated revenue and profit for the year ended 31 December 2013 would have been if the acquistion had occurred on 1 January 2013 as the revenues are yet to be established during the development phase of the business.

Details of the acquisition are as follows:

	Acquiree's carrying amount $	Fair value $
Website	1,737,812	1,737,812
Net assets acquired	1,737,812	1,737,812
Goodwill		-
Acquisition-date fair value of the total consideration transferred		1,737,812
Representing:		
Cash paid or payable to vendor		189,580
iCar Asia Limited and Controlled Entities shares issued to vendor		347,562
Contingent consideration		1,200,670
		1,737,812

Note 27. Business combinations (continued)

Thaicar.com
On 4 February 2013, the consolidated entity entered into an agreement to acquire 100% of Thaicar.com and the deal was completed on 8 March 2013. Thte total consideration was $400,000, 100% payable on completion of the sale and purchase agreement, comprised of $200,000 in cash and $200,000 in iCar Asia shares.

The acquisition of Thailand's number 2 automotive classified site was a critical step to enter the automotive classified market in Thailand. Coupled with iCar Asia's leading automotive content site, autospinn.com, it places iCar as the leading digital automotive market place in Thailand.

The Directors do not consider it practical to estimate what consolidated revenue and profit for the year ended 31 December 2013 would have been if the acquistion has occurred on 1 January 2013 as the revenues are yet to be established during the development phase of the business.

The accounting for this acquisition has not yet been completed and the consideration has been provisionally accounted for as goodwill. As at the balance sheet date, the goodwill has been revalued for changes in foreign exchange rates.

Details of the acquisition are as follows:

	Acquiree's carrying amount $	**Fair value $**
Website	1	1
Net assets acquired	1	1
Goodwill		399,999
Acquisition-date fair value of the total consideration transferred		400,000
Representing:		
Cash paid or payable to vendor		200,000
iCar Asia Limited and Controlled Entities shares issued to vendor		200,000
		400,000

In the prior year, on 5 September 2012, iCar Asia Pte Ltd acquired 100% of the ordinary shares of PT Mobil Satu Asia for the total consideration transferred of $3,000,000. The goodwill of $2,600,000 arose due to the cost of combination included a control premium and expected synergies, revenue growth, and future market development of PT Mobil Satu Asia. The initial accounting for the acquisition was only provisionally determined at the end of the 2012 reporting period, hence, the fair value of goodwill, intangibles and other assets and liabilities were provisional as at 31 December 2012.

The acquisition accounting treatment has been finalised in the current financial year with goodwill of $2,600,000 and website costs of $400,000. No additional assets or liabilities were recognised during the measurement period based on new information obtained about the facts and cicrumstances that existed at the acquisition date.

Note 27. Business combinations (continued)

Details of the acquisition are as follows:

	Acquiree's carrying amount $	Fair value $
Website	400,000	400,000
Net assets acquired	400,000	400,000
Goodwill		2,600,000
Acquisition-date fair value of the total consideration transferred		3,000,000
Representing:		
Cash paid or payable to vendor		1,000,000
iCar Asia Limited and Controlled Entities shares issued to vendor		2,000,000
		3,000,000
Acquisition costs expensed to profit or loss		18,205

	Consolidated 2013 $	2012 $
Cash used to acquire business, net of cash acquired:		
Acquisition-date fair value of the total consideration transferred	2,137,812	3,000,000
Less: contingent consideration	(1,200,670)	-
Less: shares issued by parent entity as part of consideration	(547,562)	(2,000,000)
Net cash used	389,580	1,000,000

Note 28. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name of entity	**Country of incorporation**	**Equity holding 2013 %**	**Equity holding 2012 %**
Subsidiaries of iCar Asia Limited			
iCar Asia Pte Ltd	Singapore	100.00	100.00
Subsidiaries of iCar Asia Pte Ltd			
Netyield Sdn Bhd	Malaysia	100.00	100.00
Auto Discounts Sdn Bhd	Malaysia	100.00	100.00
PT Mobil Satu Asia	Indonesia	100.00	100.00
iCar Asia (Thailand) Limited *	Thailand	100.00	-
DQBP Sdn Bhd	Malaysia	100.00	-

* Group holds an economic interest of 100% with a nominee Thai shareholder holding an interest in the company on behalf of the Group.

Note 29. Events after the reporting period

Ongoing political unrest in Thailand is having an impact on the new and used car markets with the Automotive Industry Club of the Federation of Thai Industries reporting a fall in car sales of 39.86% in December 2013. Although this reduction is not expected to have a material impact on the Group's revenues in the immediate future, ongoing political uncertainty may reduce the Company's ability to monetise its expanding position in the online car sales market in Thailand.

No other matter or circumstance has arisen since 31 December 2013 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.

Note 30. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2013 $	**Consolidated 2012 $**
Loss after income tax expense for the year	(6,901,778)	(1,756,618)
Adjustments for:		
Depreciation and amortisation	312,897	12,348
Equity settled employee benefit	610,500	100,000
Change in operating assets and liabilities:		
Increase in trade and other receivables	(285,264)	(238,388)
Increase in other operating assets	(495,677)	(156,274)
Increase in trade and other payables	611,404	178,732
Increase in employee benefits	525,875	337,951
Net cash used in operating activities	(5,622,043)	(1,522,249)

Note 31. Earnings per share

	Consolidated	
	2013	2012
	$	$
Loss after income tax attributable to the owners of iCar Asia Limited and Controlled Entities	(6,901,778)	(1,756,618)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	168,417,797	72,289,442
Weighted average number of ordinary shares used in calculating diluted earnings per share	168,417,797	72,289,442
	Cents	Cents
Basic earnings per share	(4.10)	(2.43)
Diluted earnings per share	(4.10)	(2.43)

Note 32. Share-based payments

Employee share rights plan

There were no executive share-based payment arrangements in existence during the current reporting period. There were no options issued or exercised during the period ended 31 December 2013. There are no outstanding options in iCar Asia shares.

Amounts included under employee benefits expense in statement of comprehensive income

There were no amounts included under employee benefits expense that relates, in full, to amortisation of equity settled share-based payments.

iCar Asia Limited and Controlled Entities
Directors' declaration

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Patrick Grove
Chairman

26 February 2014
Kuala Lumpur

Building a better
working world

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Independent auditor's report to the members of iCar Asia Limited

Report on the financial report

We have audited the accompanying financial report of iCar Asia Limited, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility 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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. 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.

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

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

Independence

In conducting our audit we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

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Opinion

In our opinion:

a. the financial report of iCar Asia Limited 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 31 December 2013 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Report on the remuneration report

We have audited the Remuneration Report included in pages 8 to 15 of the directors' report for the year ended 31 December 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 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.

Opinion

In our opinion, the Remuneration Report of iCar Asia Limited for the year ended 31 December 2013 complies with section 300A of the Corporations Act 2001.

Ernst & Young

D. R. McGregor
Partner
Melbourne
26 February 2014