iCar Asia Limited
ACN 157 710 746

Appendix 4E
Preliminary Financial Report
For the period ended 31 December 2012

"Results for announcement to the market"

Key information Period ended 31 December	**2012** ($'000)
Revenue from ordinary activities	306
Loss from ordinary activities after tax attributable to members	(1,757)
Net loss for the period	(1,757)
Basic (Loss)/earnings per share (cents)	(2.43)
Diluted (Loss)/earnings per share (cents)	(2.43)
NTA per share (cents)	5.44

Dividends

No dividends have been paid or declared in 2012. 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 2012. 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

28 February 2013

ACN 157 710 746

Audited Financial Statements for the Financial Period ended 31 December 2012

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Directors' report

The Directors of iCar Asia Limited submit herewith the annual financial report of the company and controlled entities for the financial period ended 31 December 2012. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Information about the directors and senior management

The names and particulars of the Directors of the company during or since the end of the financial period are as follows:

Patrick Grove	Chairman and Non-Executive Director	Appointed 28 June 2012
Lucas Elliott	Non-Executive Director	Appointed 10 April 2012
Shaun Di Gregorio	Non-Executive Director	Appointed 17 July 2012
Mark Britt	Non-Executive Director	Appointed 17 July 2012
Nick Geddes	Non-Executive Director	Appointed 10 April 2012
Debra Thomas	Non-Executive Director	Appointed 10 April 2012 (resigned 17 July 2012)

Details of Directors of the company, the Company Secretary, the Chief Executive Officer and the Chief Financial Officer in office at the date of this report, and each of their qualifications, experience and special responsibilities are below:

Name	Experience
Patrick Grove CA, B. Comm (Non-independent, non-executive Director and Chairman)	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, new media and technology environments. Mr Grove has built a number of significant media and internet businesses across Asia and has taken three 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 is also the Chief Executive Officer of Catcha Media, the major shareholder of iCar, as well as Chief Executive Officer, Chairman and major shareholder of Catcha Group, one of South East Asia's most dynamic new media groups. Mr Grove is also the Chairman of iProperty, an ASX listed company. Mr Grove has a Bachelor of Commerce degree with a major in Accounting and Finance from the University of Sydney.
Lucas Elliott (Non-independent, non-executive Director)	Board member since April 2012. Mr Elliott is a co-founder of iCar. He has over 13 years of Asian online experience, with a focus on developing fast moving online business models and monetising online media 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 is also a director of iProperty. Mr Elliott has a Bachelor of Commerce degree with a major in Finance from the University of Sydney.
Shaun Di Gregorio (Non-independent, non-executive Director)	Board member since July 2012. Mr Di Gregorio has worked in online classifieds for nearly 12 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. Mr Di Gregorio holds a 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.

Mark Britt (Independent non-executive Director)	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, MSN NZ, Windows Live, Bing, Cudo, and investments in iSelect and RateCity. 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, most recently 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. Mr Britt holds a Diploma in Law from LPAB.
Nick Geddes (Independent non-executive Director and Company Secretary)	Nick Geddes (FCA, FCIS) was appointed Director and Company Secretary in April 2012. 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. Mr Geddes acts as company secretary for a number of ASX-listed companies.
Damon Rielly (Chief Executive Officer)	Chief Executive Officer since June 2012, Mr Rielly is responsible for the day-to-day operations of iCar. Mr Rielly has over 16 years experience in the media industry spanning online, radio and print media. Prior to joining iCar, Mr Rielly was the Chief Operating Officer of Catcha Media. He also spent three years as the Head of the Media Business for ASX-listed REA Group Limited where he was also a representative to the Internet Advertising Bureau of Australia, and seven years at ASX listed Austereo Limited, where he was the Director of Sales.
Rod Brandenburg B. Comm, CPA (Chief Financial Officer)	As Chief Financial Officer since November 2012, Mr Brandenburg is responsible for the management of the Company's finances and the fulfillment of its reporting obligations. Rod has extensive commercial experience, with specific expertise in mergers and acquisitions, treasury, business restructuring and business systems implementation. Rod has worked in roles in Australia, Asia, Europe and North America. Prior to joining iCar Asia Mr Brandenburg was the Chief Financial Officer at the iProperty Group (ASX:IPP) and prior to that Webjet Limited (ASX: WEB).

Directors' shareholdings

The following table sets out each director's shareholding as at 31 December 2012, their relevant interest in shares and options in the company as at that date.

Directors	Fully paid ordinary shares Number	Share options Number
Patrick Grove*	80,094,000	-
Lucas Elliott*	80,094,000	-
Shaun Di Gregorio	833,333	-
Mark Britt	416,667	-
Nick Geddes	Nil	-

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

Remuneration of directors and senior management

Information about the remuneration of directors and senior management is set out in the remuneration report of this Directors' Report, on page 10.

Share options and rights granted to directors and senior management

During and since the end of the financial period no share options have been granted to directors or senior management.

Principal activities

The principal activities of iCar Asia during the financial period were that of developing and operating car classifieds and content websites in each of the developing markets Malaysia, Indonesia and Thailand.

Changes in State of Affairs

During the financial period there were no significant changes in the state of affairs of the consolidated entity.

Review of Operations

A detailed review of operations and results of those operations will be set out in the Chairman's Message and Chief Executive Officer's Report in the annual report. A summary of the Group's performance is outlined below.

Group

- Revenue from the period from continuing operations of $0.306 million in the group's first year of operation.
- Loss for the period of $1.757 million
- Total cash on hand and the end of the period is $6.273 million

Malaysia:

- Carlist.my has taken the leadership position becoming the number 1 classified site in Malaysia with nearly 104,000 listings a 174% increase from September when the iCar Asia group was formed.
- Traffic has grown to 592,000 unique visitors per month

Indonesia:

- Mobil123.com has increased total listings on the site to over 105,000 an increase of 223% from September iCar Asia took control of the site.
- Increase in unique visitors to the site of 181% to 218,000 in January 2013.

Thailand

- Autospinn.com remains the leading Thai automotive content website.
- The Acquisition of Thaicar.com in February 2013 the number 2 listings site in Thailand with over 23,000 listings and 400,000 unique visitors per month.

Dividends

No dividends have been paid or declared since the start of the financial period and iCar Asia Limited does not propose to pay a dividend for this reporting period.

Business Strategies and Prospects

Information on the Group's business strategies and its prospects for future financial years will be included in the Chairman's Message and the Chief Executive Officer's Report in the annual report. In the opinion of the Directors, further information on the Group's business strategies and its prospects for future financial years would, if included in this report, be likely to result in unreasonable prejudice to the Group and has accordingly been omitted.

Environmental Regulations

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

Future Developments

Other than comments on likely developments or expected results of some of the operations of the Group which will be included in the Chairman's Message and the Chief Executive Officer's Report in the annual, in the opinion of the Directors, further information on likely developments in the operations of the Group and the expected results of those operations in future financial periods have been omitted as the Directors believe it would be likely to result in unreasonable prejudice to the Group's interests if such further information were included in this report.

Shares under rights or issued in exercise of rights

There are no unissued shares or interests under rights as at the date of this report. There are no shares or interests issued during or since the end of the financial period as a result of the exercise of a right.

Share Issues

During the course of the period, the Company issued shares as follows:

Month	No. of Shares	Net Amount $	Issue Type
Jun-12	70,000,000	8,400,000	Shares issued at completion of purchase of ADSB and EVO
Aug-12	1,250,000	150,000	Share issue to Directors
Sep-12	18,155,573	3,631,115	New shares issued to settle acquisitions
Sep-12	50,000,000	8,872,808	Issue of new shares on IPO (Net of costs)
	139,405,573	**21,053,923**	

Events subsequent to reporting date

On 7 January 2013 the company announced the acquisition of the DQBP Sdn Bhd the owners of the website and magazine Live Life Drive in Malaysia for a total consideration of up to MYR 6.5 million (AUD 2.03 million) consisting of both cash and shares. On 4 February 2013 the company announced the acquisition of Thaicar.com and associated assets, an automotive classified website in Thailand for a total consideration of AUD 400,000 consisting of both cash and shares. Further information about these acquisitions can be found in the announcements on the ASX website.

Other than the above there has not been any matter or circumstance occurring subsequent to the end of the reporting period that has significantly affected, or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Indemnification of officers

The Company has indemnified each Director of the Group, the Company Secretary and previous Directors and Secretaries (Officers) 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 liability arises 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 also indemnified the current and previous Directors of its controlled entities and certain members of the Company's senior management for all liabilities and loss (other than to the Company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith or indemnification is otherwise not permitted under the Corporations Act.

The Company has executed deeds of indemnity with each of the Non-Executive Directors.

Directors' and Officers' Insurance

The Company has paid insurance premiums for one year's cover in respect of Directors' and Officers' liability insurance contracts, for Officers of the Company and of its controlled entities. The insurance cover is on standard industry terms and provides cover for loss and liability for wrongful acts in relation to the relevant person's role as an Officer, except that cover is not provided for loss in relation to Officers gaining any profit or advantage to which they were not legally entitled, or Officers committing any criminal, dishonest, fraudulent or malicious act or omission, or any knowing or willful violation of any statute or regulation.

The insurance does not provide cover for the independent auditors of the Company or of a related body corporate of the Company.

In accordance with usual commercial practice, the insurance contract prohibits disclosure of details of the nature of the liabilities covered by the insurance, the limit of indemnity and the amount of the premium paid under the contract.

Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial period and the number of meetings attended by each director (while they were a director or committee member). During the financial period, 5 board meetings, and 2 strategy meetings were held. There were no meetings of the audit and risk committee or remuneration and nomination committee held.

	Board of directors		Strategy Meetings	
Directors	Held	Attended	Held	Attended
Patrick Grove	5	4	2	2
Lucas Elliott	5	5	2	2
Shaun Di Gregorio	5	5	2	2
Mark Britt	5	5	2	2
Nick Geddes	5	5	2	2
Debra Thomas	0	0	0	0

Directors' Interest in Contracts

No material contracts involving Directors' interests were entered into during or existed at the end of the period, other than those transactions detailed in Note 26 to the Financial Statements.

Non-audit services

The Board of Directors, in accordance with advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit and Risk committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1: Professional Independence.

There were additional fees of $135,000 for non-audit services as investigative accountants in relation to the IPO paid to the external auditors during the financial period.

Auditor's independence declaration

The statement by the Consolidated Entity's external auditors to the members of the iCar Asia Ltd in relation to the auditors' compliance with the independence requirements of the Corporations Act and the professional code of conduct for external auditors, forms part of this Directors' Report and is set out after this Directors' Report on page 21.

No person who was an Officer of the Company during the financial period was a Director or partner of the Group's external auditor at a time when the Group's external auditor conducted an audit of the Group.

Remuneration report

This Remuneration Report forms part of the Directors' Report and outlines the remuneration arrangements for executives and employees of iCar Asia Ltd, including Specified Directors and Specified Executives in accordance with section 300A and Regulation 2M.3.03 of the Corporations Regulations.

Director and senior management details

The following persons acted as directors of the company during or since the end of the financial period:

- Patrick Grove
- Lucas Elliott
- Mark Britt
- Shaun Di Gregorio
- Nick Geddes (Director and Company Secretary)
- Debra Thomas (resigned 17 July 2012)

The term 'senior management' is used in this remuneration report to refer to the following persons. Except as noted, the named persons held their current position for the whole of the financial period and since the end of the financial period:

- Damon Rielly (Chief Executive Officer – appointed 1 June 2012)
- Rod Brandenburg (Chief Financial Officer – appointed 6 November 2012)
- Joey Caisse (Chief Information Officer – appointed 18 September 2012)

Remuneration & Nomination Committee

Role

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.

Membership and meetings

As at the date of this report, the members of the Remuneration & Nomination Committee were:

- Shaun Di Gregorio (Chairman)
- Patrick Grove
- Mark Britt
- Lucas Elliott
- Nick Geddes

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.

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.

Key Management Personnel and Executive Director 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.

Key Management Personnel Remuneration

The following table summarises the remuneration arrangements for the CEO, CFO and CIO for 2012. Details of remuneration of key management personnel and Directors are shown on Table A of this report.

	Mr. D. Rielly	Mr R Brandenburg	Mr J Caisse
Position	Chief Executive Officer	Chief Financial Officer	Chief Information Officer
Term of employment	Until 31 December 2014	Until 31 December 2015	Until 31 December 2015
Notice period	6 months	6 months	6 months
Total employment cost (TEC) (1)	AUD 250,000 p.a	AUD 230,000 p.a	AUD 200,000 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.	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.	Up to AUD 80,000 subject to meeting performance targets as set by the Board. Payment is to be made in cash.
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.	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.	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 12,000 per month (equivalent to approximately AUD 3,800 per month)	Housing allowance of MYR 8,000 per month (equivalent to approximately AUD 2,500 per month)	Housing allowance of MYR 9,000 per month (equivalent to approximately AUD 2,800 per month)
Termination by executive	6 months	6 months	6 months
Termination by company	6 months	6 months	6 months

(1) A portion of TEC may be taken in the form of packaged benefits (such as a motor vehicle and parking), and is inclusive of fringe benefits tax where relevant and employer superannuation contributions.

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.

Details of remuneration

The following tables show details of the nature and amount of each element of the remuneration paid or payable with respect to services provided for the period as Directors of the Company and key management personnel of the Group during the period.

Remuneration of directors and senior management (Table A)

No retirement benefits were paid or payable to Directors or Key Management Personnel in the current period.
Bonuses were paid to key management personnel upon review of individual performance by the directors against targets set.

	Short-term employee benefits				Post employment benefits	Other long-term employee benefits	Share-based payment				
	Salary & fees	Bonus	Non-monetary	Other	Superannuation		Shares & units	Options & Rights	Total	Performance bonus as a % of total remuneration	% of compensation for the period consisting of options/rights
2012	$	$	$	$	$	$	$	$	$		
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	-	-
	-	**-**	**-**	**-**	**-**	**-**	**184,000**	**-**	**184,000**		
Key Management Personnel											
D Rielly	145,833		-	30,883	-	-	150,000	-	326,716	45.91	-
R Brandenburg	32,400	-	-	3,091	-	-	-	-	35,491	-	-
J Caisse	16,667	-	-	2,839	-	-	-	-	19,506	-	-
	194,900	**-**	**-**	**36,813**	**-**	**-**	**150,000**	**-**	**391,713**		**-**
	194,900	**-**	**-**	**36,813**	**-**	**-**	**334,000**	**-**	**565,713**		**-**

Share based payments to Executives

There have been no share based payments in 2012 to executives of the company. Mr Reilly's employment agreement allows for the payment of up to 150,000 in relation to the 2012 period by way of shares in the company. At the time of release of this report the board has yet to determine how much will be paid to Mr Rielly.

Employees	Rights issued under 2012 plan
Damon Rielly	-
Rod Brandenburg	-
Joey Caisse	-

There have been no rights issued by the company to date.

Share based payments to Non Executive Directors

By an agreement between the Company and each of the Non Executive Directors, the Non Executive Directors have agreed to provide services to the Company. As detailed in the iCar prospectus the Non Executive Directors will be remunerated in iCar shares. During the financial period Directors' entitlement to shares vests monthly on a pro-rata basis provided they continue to be Directors of the Company at that time.

The remuneration of Non-Executive Directors for the period ended 31 December 2012 is $84,000 in value of shares which are yet to be issued to Non Executive Directors. The total number of shares outstanding to all directors past and present is 399,619 which were determined using a VWAP of 21.02 cents` and is subject to shareholder approval at the next annual general meeting.

In addition to the above, 1,250,000 shares were issued to the Non Executive Directors Shaun Di Gregorio 833,333 shares and Mark Britt 416,667 shares at their commencement at an issue price of 12 cents per share or $150,000 cash in total. This was at a discount to the fair value at the time of 20 cents per share and the corresponding discount has been expensed and recorded as part of the Directors remuneration for Shaun Di Gregorio $66,667 and Mark Britt $33,333.

	2012		
	Shares issued	Shares vested but not issued	Total
P Grove	-	95,147	95,147
L Elliott	-	76,118	76,118
S Di Gregorio	833,333	76,118	909,451
M Britt	416,667	76,118	492,785
N Geddes	-	76,118	76,118
	1,250,000	**399,619**	**1,649,619**

In addition to remuneration benefits above, the Company paid a premium for a contract insuring all Directors of the Company and specified executives of the Group 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.

Non-Executive Director Remuneration

The following persons were Non-Executive Directors of the Company at 31 December 2012:

Name	Position
Patrick Grove	Non-Executive Director
Luke Elliott	Non-Executive Director
Shaun Di Gregorio	Non-Executive Director
Mark Britt	Non-Executive Director
Nick Geddes	Non-Executive Director

Remuneration Policy

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, Deputy 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.

Options

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

Signed in accordance with a resolution of the directors made pursuant to s.298 (2) of the Corporations Act 2001.
On behalf of the directors

Dated 28 February 2013

Patrick Grove
Chairman

Corporate governance statement

The following statement sets out the governance framework adopted by the iCar Board.

Approach to Governance
In relation to Corporate Governance, the Board seeks to embrace those principles and practices that are relevant and appropriate to the size and stage of development of the Company.

Compliance with Corporate Governance Codes
As the Company is listed on ASX, it is required by ASX Listing Rule 4.10.3 to disclose the extent to which it has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. The Company was admitted to the Official List of the ASX on 11th September 2012. Consequently there have not been appropriate opportunities to address all recommendations, such as the conduct of a board review.

The ASX Corporate Governance Council recommendations are contained in the 2nd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX CGP). These principles were last updated in June 2010; however these latest amendments are effective from 1 January 2011.

With the following exceptions the Company has adhered to the ASX Corporate Governance Principles and Recommendations:

- there is presently not a majority of independent directors on the Board (Recommendation 2.1)
- the chairperson of iCar is not independent (Recommendation 2.2)
- there is presently not a majority of independent directors on the Audit, Business Risk and Compliance Committee, (Recommendation 4.2) AND on the Remuneration and Nomination Committee (Recommendation 8.2)

Other than these instances, the Company has adopted the recommendations of the ASX Corporate Governance Council.

1. Board of Directors – Role and Responsibilities

The Board is responsible for the overall corporate governance of iCar. The Board monitors the operational and financial position and performance of iCar and oversees its business strategy including approving the strategic goals of iCar. The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of iCar. In conducting business with these objectives, the Board is concerned to ensure that iCar is properly managed to protect and enhance Shareholder interests, and that iCar, its Directors, officers and employees operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing iCar including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for iCar's business and which are designed to promote the responsible management and conduct of iCar.

The Board of Directors of iCar Asia has taken into account its size and activities in the development of the framework.

2. Board of Directors - Compositions, Structure and Process

The Board has an appropriate blend of skills and experience and is of an appropriate size to adequately discharge its responsibilities and duties given the current size, scale and nature of the Company's activities.
Details of the Directors are included in the Directors' Report.

2.1 Skills, knowledge and experience

Directors are appointed based on the specific corporate, technical and governance skills and experience required by the Company. The Board includes Directors with a relevant blend of experience in accounting and finance, law, financial and investment markets, financial management and public company administration, and director-level business and corporate experience.

2.2 Non-Executive Directors

All Directors are Non Executive Directors.

2.3 Chairman and Chief Executive Officer

The Chairman leads the Board and has responsibility for ensuring the Board receives accurate, timely and clear information to enable Directors to perform their duties as a Board. The Chief Executive Officer of the Company was appointed 1 June 2012 and is responsible for and accountable to the Board for the Company's management.

2.4 Company Secretary

The Company Secretary is appointed by the Board and is responsible for developing and maintaining the appropriate governance systems and processes for the Board to fulfil its role and is responsible to the Board for ensuring compliance with Board procedures and governance matters. The Company Secretary is also responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. The Company Secretary is Nick Geddes FCA FCIS.

2.5 Committees of the Board

To assist in the execution of its corporate governance responsibilities, the Board has two committees, the Audit & Risk Committee and the Nomination & Remuneration Committee. When appropriate special board committees may be appointed to address specific issues. Requirements for Board committees are reviewed regularly by the Board. All committees operate principally in a review or advisory capacity, except in cases where powers are expressly conferred on or delegated to a committee by the Board.

2.5.1 Audit & Risk Committee

The Board has established an Audit & Risk Committee that operates under a charter approved by the Board. It is the Board's responsibility to ensure that an appropriate and effective internal control framework exists within the entity.

The system of internal control is designed to safeguard assets, ensure the maintenance of proper accounting records, monitor risks and reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The Board has delegated the responsibility for the establishment and maintenance of a framework of internal control and ethical standards for the management of the economic entity to the Audit & Risk Committee. That Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial statements.

The members of the Audit & Risk Committee are Mark Britt (Chair), Patrick Grove, Shaun Di Gregorio, Lucas Elliott and Nick Geddes. Full details and qualifications of the members are contained in the Directors' Report.

The members are experienced in executive management, public company management and finance. The Chair of the Audit & Risk Committee is not the Chairman of the Board. The external auditors, the CEO and CFO are invited to Audit & Risk Committee meetings at the discretion of the Committee. Attendance at the meetings is set out in the Directors' Report.

The Audit & Risk Committee is also responsible for directing and monitoring the internal audit function (if appointed), nomination of the external auditor, monitoring the independence of the external auditor and reviewing the adequacy of the scope and quality of the annual statutory audit or review. The Committee reviews the performance of the external auditors on an annual basis.

2.5.2 Remuneration & Nomination Committee

The Remuneration & Nomination Committee is responsible for reviewing the remuneration of Directors and senior management and evaluation of senior management and makes recommendations to the Board on these matters. The committee is also responsible for recommendations to the Board on share and option schemes, incentive performance packages, superannuation entitlements, composition of the Board and the process and criteria for selection of new directors. The Committee also has the responsibility to oversee the Company's general remuneration strategy.

Remuneration levels are competitively set to attract the best qualified and experienced Directors and key management personnel appropriate to the size and stage of development of the Company. The Committee is authorised to obtain independent advice on the appropriateness of remuneration packages.

Details of the amount of remuneration, and all monetary and non-monetary components, for each of the 3 highest-paid (non-Director) key management personnel and all Directors during the year ending 31 December 2012 are contained in the Remuneration Report included in the Directors' Report. Termination entitlements for key management personnel, if any, are also contained in the report.

- The Remuneration and Nomination Committee is responsible for identifying qualified individuals for appointment to the Board. In identifying candidates, the Remuneration and Nomination Committee will have regard to the selection criteria set out in the board appointment process, which will include: skills, expertise and background that add to and complement the range of skills, expertise and background of the existing directors;
- diversity; and

- the extent to which the candidate would fill a present need on the Board.

Whilst skills such as leadership and previous experience as a chief executive, chair or board member of a large organisation with international operations have traditionally been prerequisites to appointment as a director, the Board recognises that other skills gained from experience in the following areas are key skills and experience which the Board as a whole should comprise:

- marketing and sales;
- policy and regulatory development and reform;
- health, safety and environment and social responsibility; and
- human resources

Remuneration levels are competitively set to attract the best qualified and experienced Directors and key management personnel. The Committee is authorised to obtain independent advice on the appropriateness of remuneration packages. Non-Executive Directors are remunerated by way of fees and shares, and are not provided with retirement benefits.

The members of the Committee are Shaun Di Gregorio (Chair) Patrick Grove, Mark Britt, Lucas Elliott, and Nick Geddes. The Committee did not meet during the period.

Details of the amount of remuneration, and all monetary and non-monetary components, for each of the 3 highest-paid (non-Director) key management personnel and all Directors during the period ending 31 December 2012 are contained in the remuneration report included in the Directors' Report. Termination entitlements for key management personnel, if any, are also contained in the report.

2.6 Independence

An independent Director, in the view of the Company, is a Non-Executive Director who:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- has not previously been employed in an Executive capacity by the Company, or been a Director after ceasing to hold any such employment;
- within the last three years has not been a principal of a professional adviser or a consultant to the Company to a material extent, or an employee of a significant service provider;
- Is not a material supplier or customer of the Company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- Has no material contractual relationship with the Company other than as a Director of the Company;
- Has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- Is free from any interest and any business or other relationship that could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

Mark Britt and Nick Geddes are regarded as Independent Directors. The size of the Board will be reviewed periodically and if the Company's activities increase in size, nature and scope the composition and size of the board will be reviewed.

2.7 Conflicts of Interest

To ensure that Directors are at all times acting in the interests of the Company, Directors must:

- Disclose to the Board actual or potential conflicts of interest that may or might reasonably be perceived to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- If requested by the Board, within seven days or such further period as may be determined by the Board, takes such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as required by the Corporations Act, absent himself or herself from the room when the conflicted matter is being discussed and/or when voting occurs, save with the approval of the remaining Directors and subject to the Corporations Act.

2.8 Related Party Transactions

Related party transactions include any financial transaction between a Director and the Company as defined in the Corporations Act or the ASX Listing Rules. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction. The Company also discloses related party transactions in its financial report as required under relevant Accounting Standards.

2.9 Share Dealings and Disclosures

The Company's Share Trading Policy regarding Directors, Executives and employees dealing in its securities, is set by the Board and complies with ASX Listing Rules Chapter 12. The Board restricts Directors, Executives and employees from trading in Company securities except during trading windows and in any event when in possession of price sensitive information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices. Executives, employees and Directors are required to obtain approval from either the CEO/Managing Director or Chairman prior to dealing in securities in the Company or other companies in which the Company has a relationship. The policy outlines the exceptional circumstances during which trading may take place during a blackout period and sets rules for “passive trading”.

Dealings are not permitted at any time whilst in the possession of price sensitive information not already available to the market. In addition, the Corporations Act prohibits the purchase or sale of securities whilst a person is in possession of inside information.

2.10 Board nominations

The Board will consider nominations for appointment or election of Directors that may arise from time to time having regard to the skills required by the Company and procedures outlined in the Constitution and the Corporations Act.

2.11 Terms of Appointment as a Director

The current Directors of the Company have been appointed until they are either removed (which will include the circumstances where the Director is not re-elected) or when they resign. The Constitution of the Company provides that a Director may not retain office for more than three calendar years or beyond the third annual general meeting following his or her election, whichever is longer, without submitting himself or herself for re-election. One third of the Directors must retire each year and are eligible for re-election by shareholders. The Directors who retire by rotation at each annual general meeting are those with the longest length of time in office since their appointment or last election.

2.12 Performance Review and Evaluation

iCar has adopted a performance evaluation process in relation to the Board and its committees. Each year, Directors will provide written feedback in relation to the performance of the Board and its Committees against a set of agreed criteria. Each Committee of the Board will also be required to provide feedback in terms of a review of its own performance. Feedback will be collected by the chair of the Board, or an external facilitator, and discussed by the Board, with consideration being given as to whether any steps should be taken to improve performance of the Board or its Committees. The Chief Executive Officer will also provide feedback from senior management in connection with any issues that may be relevant in the context of the Board performance review. Where appropriate to facilitate the review process, assistance may be obtained from third party advisers. Given that iCar listed on the ASX on 11th September 2012, a performance evaluation of the Board, its Committees and the senior executives has not yet taken place in accordance with this process.

2.13 Meetings of the Board

The Board meets regularly and whenever necessary to deal with specific matters requiring attention between scheduled meetings. Circular Resolutions are also utilised when appropriate. Board meetings are held predominantly by telephone conference as Directors are resident in several countries. However, the Board will convene face to face meetings from time to time as is appropriate based on the particular items of business for consideration. Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company. It is recognised and accepted that Board members may also concurrently serve on other boards, either in an executive or non-executive capacity.

2.14 Independent Professional Advice

Subject to prior consultation with the Chairman, each Director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

2.15 Access to Company Information and Confidentiality

All Directors have the right of access to all relevant Company books and to the Company's Executive Management. In accordance with legal requirements and agreed ethical standards, Directors and Executives of the Company are required to keep confidential, information obtained in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

2.16 Nomination of new Directorships

The primary vehicle for the effective management of director nominations is the Remuneration & Nomination Committee appointed by the Board.
The responsibilities assumed by the Remuneration & Nomination Committee include:

- review and recommend arrangements for the executive directors (if any) and the executives reporting to the Chief Executive Officer, including contract terms, annual remuneration and participation in the Company's short and long term incentive plans;
- review major changes and developments in the Company's remuneration, recruitment, retention and termination policies and procedures for senior management;
- review major changes and developments in the remuneration policies, superannuation arrangements, personnel practices and industrial relations strategies for the Company;
- review the senior management performance assessment processes and results as they reflect the capability of management to realise the business strategy; and
- review and approve short term incentive strategy, performance targets and bonus payments.

The Board acknowledges the ASX Recommendation that a majority of the members of the Remuneration Committee be independent. Patrick Grove, Lucas Elliott and Shaun Di Gregorio are currently considered by the Board to not be independent. However, as with the Audit, Business Risk and Compliance Committee, the Board believes that it is appropriate that each of Patrick Grove, Lucas Elliott and Shaun Di Gregorio be appointed members of this Committee due to their skill sets, experience and seniority, and that each will bring objective and independent judgement to the Committee's deliberations.

2.17 Director's deeds

The Company has also entered into a Deed of Indemnity, Insurance and Access with each of the Directors and senior officers to regulate certain matters between the Company and each Director, both during the time the Directors hold office and after the Director ceases to be an officer of the Company (or wholly owned subsidiaries).

3. Remuneration Policy

The fees and emoluments paid to Directors are approved in advance by Shareholders. The salary and emoluments to be paid to officers will need prior approval by the Remuneration & Nomination Committee. Consultants will be engaged as required pursuant to Consultancy Service Agreements. The Company will ensure that fees, salaries and emoluments will be in line with general standards for publicly listed companies of the size and type of the Company and that they will not be excessive. All salaries of Directors and senior executives will be disclosed in the Remuneration Report of the Company each year.

4. Diversity

The 2010 amendments to the ASX Corporate Governance Guidelines Principles and Recommendations included amendments that seek to address diversity concerns, in particular, the under- representation of women on boards and in senior management.

The Company recognises that people are its most important asset and is committed to the maintenance and promotion of workplace diversity. Diversity drives the Company's ability to attract, retain and develop the best talent, create an engaged workforce, deliver the highest quality services to its customers and continue to grow the business

In addition to business policies, practices and behaviours that promote diversity and equal opportunity and create an environment where individual differences are valued the Board adopted a Diversity policy in July 2012. This policy set out minimum expectations to be met by the Group on workforce diversity. A copy of the Policy is available on the Investor Relations – Corporate Governance section of the Group's website: www.icarasia.com. The Policy describes the Group's intention to be an organisation with a leadership and workforce that reflects the diversity of the broader communities in which the Group operates.

The Remuneration and Nomination Committee is responsible for the development and succession planning process for the Chief Executive Officer (CEO) and the CEO's direct reports. In discharging this responsibility, the Remuneration and Nomination Committee will have regard to diversity criteria

The breakdown of directors and employees by gender is as follows:

Proportion of female to male employees at iCar as at 31 December 2012				
iCar Asia	**Board**	**Senior Executives**	**Manager**	**Employee**
Female	0%	17%	20%	20%
Male	100%	83%	80%	80%

The Board has set a number of objectives under the Policy, namely to**:**

- address the lack of gender diversity on the Board. There is a 2016 target of 15% of the board being female directors.
- seek to attain a balanced ratio of female management
- optimise local talent in senior management and the workforce in established international markets; and
- establish an effective measurement and reporting framework. The Policy objectives, and the Group's progress in achieving them, will be assessed on an annual basis.

5. Code of Conduct and Ethical Standards

The Company has adopted a formal Code of Conduct that guides compliance with all levels of legal and other obligations to stakeholders. The Code is focused on ensuring that all Directors, Executives, and employees act with the utmost integrity and objectivity in carrying out their duties and responsibilities, striving at all times to enhance the reputation and performance of the Company.

6. Internal Control and Risk Management

The Board is responsible for the identification, monitoring and management of significant business risks and the implementation of appropriate levels of internal control, recognising however that no cost effective internal control system will preclude all errors and irregularities. The Board regularly reviews and monitors areas of significant business risk and has established a separate Audit and Risk Management Committee which is governed by a separate Board Charter.

The Board receives regular reports from management about the financial condition and operational results of the Company. The Board has also received written assurances from the Chief Executive Officer and Chief Financial Officer that to the best of their knowledge and belief:

- The Company's financial statements present a true and fair view of the Company's financial condition and operational results and comply with relevant accounting standards; and
- The risk management and internal compliance and control systems are sound, appropriate and operating effectively and implement the policies adopted by the Board.

The Board and management undertake annual reviews on the Company's strategic and operational risks as part of its annual strategic and budget process. Divisional heads are encouraged to provide their inputs at such annual reviews. This process allows the Board to have a better understanding of the overall industry risks and opportunities in which the Company operates.

The Company has identified the following possible business risks which the Company believes to be inherent in the industry in which the Company operates:

- Fluctuations in exchange rates
- Political stability risk in some of the countries of operation
- Interest rate risk
- Stability of internet infrastructure
- Risk of penetration of internal systems by unauthorised persons
- Changes in local government regulations
- Increased cost of operation including employment costs
- Retention of key employees
- Fluctuations in internet traffic
- Cyclical property market due to general market outlook for economic growth and interest rates
- Force majeure events

The above risks are provided to assist investors to better understand the nature of the risks faced by the Company and the industry in which the Company operates. They are not necessarily an exhaustive list.

Management regularly undertakes reviews of its risk management procedures which include implementation of a system of internal sign-offs to ensure not only that the Company complies with its legal obligations but that the Board, and ultimately shareholders, can take comfort that an appropriate system of checks and balances is in place regarding those areas of the business which present financial or operating risks.

7. Communications to Market and Shareholders

The Board recognises its duty to ensure that its shareholders are informed of all major developments affecting the Company's state of affairs and has adopted a Shareholder Communication Policy. The Policy provides that information will be communicated to shareholders and the market through:

- The Annual Report which is distributed to shareholders;
- The Annual General Meeting and other general meetings called to obtain shareholder approvals as appropriate;
- The Half-Yearly Directors' and Financial Reports;
- Quarterly Report for Entities admitted on the basis of commitments;
- Other announcements released to ASX as required under the continuous disclosure requirements of the ASX Listing Rules and other information that may be mailed to Shareholders.

The Company will actively promote communication with shareholders through a variety of measures, including the use of the Company's website. The Company's reports and ASX announcements will be available for viewing and downloading from its website: www.icarasia.com or the ASX website: www.asx.com.au under ASX code "ICQ".

8. Continuous Disclosure to ASX

The Board has adopted a Continuous Disclosure Policy and has designated the CEO, CFO or Company Secretary as the persons responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX.

In accordance with the ASX Listing Rules, the Company will notify the ASX promptly of information:

- Concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- That would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

Compliance with The ASX Corporate Governance Principles and Recommendations

The extent to which iCar has followed the ASXCGPR is as follows:

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT	**Compliance**	**Corporate Governance Statement (CGS) References/Comments**
1.1 Formalise and disclose the functions reserved to the Board and those delegated to management.	Yes	1, 2
1.2 Formalise and disclose the process for evaluating the performance of management.	Yes	2.5.2, 2.12
1.3 Provide the information indicated in the Guide to reporting on Principle 1.	Yes	Annual Report Website CGS
PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE		
2.1 A majority of the Board should be independent directors.	No	The current members of the Board have the relevant and appropriate mix of skills and experience to perform the Board's functions and responsibilities.
2.2 The Chairperson should be an independent director	No	The Chairman is not independent as a consequence of his being a substantial shareholder in the company. This has not impeded his ability to effectively chair the board.
2.3 The roles of chairperson and chief executive officer should not be exercised by the same individual	Yes	2, 2.3
2.4 The Board should establish a nomination committee	Yes	2.5.2, 2.16

2.5 Formalise and disclose the process for evaluating the performance of the Board, its committees and individual directors	Yes	2.5.2, 2.12
2.6 Provide the information indicated in Guide to reporting on Principle 2.	Yes	Annual Report Website CGS
PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING		
3.1 Establish a Code of Conduct to guide the directors, the chief executive officer (or equivalent), the chief financial officer (or equivalent) and any other key executives as to:	Yes	4
3.1.1 The practices necessary to maintain confidence in the Company's integrity. 3.1.2 The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders. 3.1.3 The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.		
3.2 Establish a policy concerning diversity and disclose that policy or a summary.	Yes	4 Website
3.2a Disclose the policy concerning trading in Company Securities by Directors, officers and employees	Yes	2.9 Website
3.3 Disclose in each annual report the measurable objectives for achieving gender diversity and progress towards achieving them.	Yes	4
3.4 Disclosure in each annual report the proportion of women in the whole organisation, women in senior executive positions and women on the board.	Yes	4
3.5 Provide the information indicated in Guide to reporting on Principle 3.	Yes	Annual Report Website CGS
PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING		
4.1 The Board should establish an audit committee.	Yes	2.5.1, 6
4.2 Structure the audit committee so that it consists of: 4.2.1 Only non-executive directors. 4.2.2 A majority of independent directors. 4.2.3 An independent chairperson, who is not chairperson of the board. 4.2.4 At least three members	No	2.5.1, 6 The audit committee consists of all members of the board and as such does not consist of a majority of independent directors but this does not impede the committee's ability to perform its functions and responsibilities
4.3 The audit committee should have a formal charter.	Yes	6
4.4 Provide the information indicated in the Guide to reporting on Principle 4.	Yes	Annual Report Website CGS
PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE		
5.1 Establish written policies and procedures designed to	Yes	7

ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.		
5.2 Provide the information indicated in the Guide to reporting on Principle 5.	Yes	Annual Report Website CGS
PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS		
6.1 Design and disclose a communications strategy for promoting effective communication with shareholders and encouraging participation at general meetings.	Yes	7
6.2 Provide information indicated in the Guide to reporting on Principle 6.	Yes	Annual Report Website CGS
PRINCIPLE 7: RECOGNISE AND MANAGE RISK		
7.1 The Board or appropriate Board committee should establish and disclose policies on risk oversight and management.	Yes	2.5.1, 5
7.2 Management to design and implement a risk management and internal control system to manage the Company's material business risks. The Board to disclose that management has reported to the Board in writing that: • The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.	Yes	2.5.1, 6
7.3 The Board to disclose that the chief executive officer (or equivalent) and the chief financial officers (or equivalent) have provided to the board in writing that: • The declaration provided in accordance with Section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes	2.5.1, 6
7.4 Provide the information indicated in Guide to reporting on Principle 7.	Yes	Annual Report Website CGS
PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY		
8.1 The Board should establish a remuneration committee.	Yes	2.5.2, 3
8.2 • It should consist of a majority of independent directors • Be chaired by an independent director • Have at least 3 members.	No No Yes	Annual Report The remuneration committee is not chaired by an independent director and consists of all members of the board and as such does not consist of a majority of independent directors but this does not impede the committee's ability to perform its functions and responsibilities.
8.3 Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Yes	Annual Report
8.4 Provide the information indicated in Guide to reporting on Principle 8.	Yes	Annual Report Website & CGS

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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 period ended 31 December 2012, 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

David McGregor

D. R. McGregor
Partner
28 February 2013

Chief Executive Officer and Chief Financial Officer Declaration

The Chief Executive Officer and Chief Financial Officer of iCar Asia Limited declare that:

1. With regard to the integrity of the financial statements of iCar Asia Limited for the financial period ended 31 December 2012, that having made appropriate enquiries, in our opinion:

   (a) the financial records of iCar Asia Limited and of the entities whose financial statements are required to be included in its consolidated financial statements (the consolidated entity) for the financial period have been properly maintained in accordance with section 286 of the Corporations Act 2001; and

   (b) the financial reports of iCar Asia Limited and of the consolidated entity, being the financial statements and notes thereto, present a true and fair view, in all material respects of the financial position and performance of iCar Asia Limited and of the consolidated entity in accordance with section 297 of the Corporations Act 2001 and comply with relevant accounting standards, in all material respects, in accordance with section 296 of the Corporations Act 2001.

2. With regard to the risk management and internal compliance and control systems of iCar Asia Limited and the consolidated entity in operation as at 31 December 2012, that having made appropriate enquiries, within the context described in point 3 below, to the best of our knowledge and belief:

   (a) The statements made in 1(b) above regarding the integrity of the financial reports is founded on a sound system of risk management and internal compliance and control systems which, in all material respects, implement the policies adopted by the Board of Directors.

   (b) The risk management and internal compliance and control systems to the extent they relate to financial reporting are operating effectively, in all material respects.

   (c) Nothing has come to our attention since 31 December 2012 that would indicate any material change to the statements made in 1(a) and 1(b) above, and

3. The statements made in 2 above regarding the risk management and internal compliance and control systems are made within the following context:

   (a) These statements provide a reasonable, but not absolute, level of assurance and do not imply a guarantee against adverse events or more volatile outcomes arising in the future.

   (b) The design and operation of the risk management and internal compliance and control systems relating to financial reporting has been assessed primarily through the use of declarations by process owners who are responsible for those systems.

....

Damon Rielly
Chief Executive Officer

....

Rod Brandenburg
Chief Financial Officer

28 February 2013

Directors' Declaration

The directors of the company declare that:

(a) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

(b) In the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 2 to the financial statements;

(c) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and

(d) The directors have been given the declarations required by s.295A of the Corporations Act 2001.

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

On behalf of the Directors

....

Patrick Grove
Chairman

28 February 2013

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Consolidated statement of comprehensive income for the financial period ended 31 December 2012

	Note	2012 $
Continuing operations		
Revenue from services		306,292
		306,292
Administration and related expenses		(365,708)
Advertising and marketing expenses		(110,229)
Employment related expenses	5	(1,435,015)
Premises and infrastructure expenses		(112,564)
Offline production costs		(48,905)
Other expenses		-
Total expenses		**(2,072,421)**
Loss before interest, tax, depreciation and amortisation (EBITDA)		**(1,766,129)**
Depreciation and amortisation expenses		(12,348)
Loss before interest and tax (EBIT)		**(1,778,477)**
Interest Income		21,859
Interest Expense	5	-
Loss before tax		**(1,756,618)**
Income tax (expense)/benefit	6	-
Loss for the period		**(1,756,618)**
Other comprehensive income		
Exchange differences on translation of foreign operations		(51,283)
Total comprehensive loss for the period		**(1,807,901)**
Loss attributable to:		
Owners of the Company		(1,756,618)
		(1,756,618)
Total comprehensive loss attributable to:		
Owners of the Company		(1,807,901)
		(1,807,901)
Loss per share from continuing operations		**Cents**
Basic	9	(2.43)
Diluted	9	(2.43)

Notes to the financial statements are included on pages 29 to 53.

Consolidated statement of financial position as at 31 December 2012

	Note	2012 $
Current assets		
Cash and cash equivalents	10	6,273,043
Trade and other receivables	11	238,388
Other assets	12	156,274
Current tax assets		-
Total current assets		**6,667,705**
Non-current assets		
Property, plant and equipment	13	245,276
Intangible assets	14	1,847,109
Goodwill	15	2,600,000
Total non-current assets		**4,692,385**
Total assets		**11,360,090**
Current liabilities		
Trade and other payables	16	1,988,029
Provisions	17	337,950
Total current liabilities		**2,325,979**
Total Non-current liabilities		**-**
Loans		653,381
Total non current liabilities		**653,381**
Total liabilities		**2,979,360**
Net assets		**8,380,730**
Equity		
Issued capital	18	21,053,923
Reserves	19	(10,916,575)
Accumulated Losses	20	(1,756,618)
Equity attributable to owners of the Company		8,380,730
Non-controlling interests		-
Total equity		**8,380,730**

Notes to the financial statements are included on pages 29 to 53.

Consolidated statement of changes in equity for the financial period ended 31 December 2012

		Fully paid ordinary shares	Foreign currency translation reserve	Share treasury reserve	Equity reserve	Equity settled employee benefits reserve	Accumulated Losses	Total
Balance at 10 April 2012		-	-	-	-	-	-	-
Changes								
Loss for the period	20	-	-	-	-	-	(1,756,618)	**(1,756,618)**
Foreign currency translation difference	19	-	(51,283)	-	-	-	-	**(51,283)**
Total comprehensive loss for the period		-	(51,283)	-	-	-	(1,756,618)	**(1,807,901)**
139,405,573 shares issued during the period	18	22,181,115	-	-	-	-	-	**22,181,115**
Transaction costs relating to share issue	18	(1,127,192)	-	-	-	-	-	**(1,127,192)**
Equity reserve from acquisition		-	-	-	(10,965,292)	-	-	**(10,965,292)**
Recognition of share based expense	28	-	-	-	-	100,000	-	**100,000**
Sub-total		21,053,923	-	-	-	-	-	**10,188,631**
Balance at 31 December 2012		**21,053,923**	**(51,283)**	**-**	**(10,965,292)**	**100,000**	**(1,756,618)**	8,380,730

Notes to the financial statements are included on pages 29 to 53.

Consolidated statement of cash flows for the financial period ended 31 December 2012

	Note	2012 $
Cash flows from operating activities		
Receipts from customers		188,861
Payments to suppliers and employees		(1,732,969)
Interest received		21,859
Income tax paid		-
Net cash used in operating activities	24	**(1,522,249)**
Cash flows from investing activities		
Payments for property, plant and equipment	13	(99,636)
Payments for intangible assets		(494,880)
Payments for subsidiaries acquired net of cash acquired		(633,000)
Net cash used in investing activities		**(1,227,516)**
Cash flows from financing activities		
Proceeds from issue of share capital		10,150,000
Share issue costs		(1,127,192)
Proceeds from borrowings		-
Repayment of borrowings		-
Net cash provided by financing activities		**9,022,808**
Net increase in cash and cash equivalents		6,273,043
Cash and cash equivalents at the beginning of the financial period		-
Cash and cash equivalents at the end of the financial period		**6,273,043**

Notes to the financial statements are included on pages 29 to 53.

1. General information

iCar Asia Limited (the company) is a public company listed on the ASX and incorporated in Australia.

iCar Asia Limited registered office and its principal place of business are as follows:

Registered office	**Principal place of business**
Level 3	Level 30, Tower A
70 Pitt Street	Menara UOA Building
Sydney NSW 2001	Bangsar, Kuala Lumpur, 59000
Australia	Malaysia

The financial statements relate to the consolidated entity consisting of iCar Asia Limited and its subsidiaries. Separate financial statements for iCar Asia Limited as an individual entity are no longer presented as the consequence of a change to the Corporations Act 2001, however, limited financial information for iCar Asia Limited as an individual entity is included in Note 29.

This report covers the period beginning 10 April 2012 up to and including 31 December 2012. This Company was formed in April 2012 with operations and revenue commencing in August 2012 upon settlement of 50% of Auto Discounts Sdn Bhd and then in September upon completion of the balance of the settlements as detailed in the prospectus.

The nature of the operations and principal activities of the company are described in the Directors' report

2. Statement of significant accounting policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations, and complies with other requirements of the law.

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors 28 February 2013**.**

Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars unless otherwise stated.

Earnings before interest, income tax expense, depreciation and amortisation (EBITDA) reflects the net profit for the period 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 uses 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. Additionally we believe EBITDA is useful to investors because analysts and other members of the investment community largely view EBITDA as a key measure of operating performance.

The accounting policies set out below have been consistently applied throughout the current period.

Adoption of new and revised Accounting Standards

In the current period, 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 2010-6 - Amendments to Australian Accounting Standards - *Disclosures on Transfers of Financial Assets*
- AASB 1054 - *Australian Additional Disclosures*
- AASB 2011-5 - Amendments to Australian Accounting Standards - *Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation*
- ASB 2010-8 - Amendments to Australian Accounting Standards - Deferred Tax: *Recovery of Underlying Assets*

Standards and Interpretations in issue not yet adopted
A number of new standards, amendments to existing standards and interpretations are applicable to reporting periods commencing after 1 January 2013 and have not been applied in preparing these consolidated financial statements. None of these changes are expected to have a significant impact on the results of the Group.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of iCar Asia Limited, the Company, and entities controlled by the Company (referred to as the "Group" in these financial statements). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. A list of controlled entities is contained in Note 23 to the financial statements.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to effective date of disposal, except for acquisitions occurring while under common control. For acquisitions occurring while under common control, the financial statements of the acquired entities are included in the consolidated financial statements from the beginning of the earliest reported period until the date control ceases.

The acquisition method of accounting is used to account for the acquisition of controlled entities by the Group.

The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed, The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the fair value of the net assets of the controlled entity acquired, the difference is recognised directly in the statement of comprehensive income.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of controlled entities have been changed to ensure consistency with the policies adopted by the Group.

(b) 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.

(c) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired entity. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant Standards. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquired entity prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquired entity's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3(2008) are recognised at their fair value at the acquisition date, except that:

• deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 Income Taxes and AASB 119 Employee Benefits respectively;

• liabilities or equity instruments related to the replacement by the Group of an acquired entity's share based payment awards are measured in accordance with AASB 2 Share-based Payment; and

• assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 Noncurrent Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

(d) 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.

(e) Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial period.

(f) Employee benefits

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 Group in respect of services provided by employees up to reporting.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

(g) Financial assets

Subsequent to initial recognition, investments in subsidiaries are measured at cost. Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. At the balance date the following categories of financial assets were held:

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment 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.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownerships of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of transferred financial assets, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(h) Financial instruments issued by the company

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issued costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities ‘at fair value through profit or loss’ or other financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(i) Foreign currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Australian dollars, which is the functional currency of iCar Asia Ltd, and the presentation currency for the consolidated financial statements.

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 Group'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 Group's translation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity on or after the date of transition to AIFRS are treated as assets and liabilities of the foreign entity and translated at exchange rates prevailing at the reporting date. Goodwill arising on acquisitions before the date of transition to AIFRS is treated as an Australian dollar denominated asset.

(j) 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.

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.

(k) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable form the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

(l) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(m) Intangible assets

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.

(n) 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.

(o) 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:

Class of Fixed Asset	*Years of Useful Life*
Plant & equipment	2 - 5 years
Office Equipment	3 - 5 years
Furniture & fittings	3 - 5 years
Leased plant and equipment	3 - 5 years

(p) 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.

Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the date of acquisition. At subsequent reporting dates, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with AASB 137 ‘Provisions, Contingent Liabilities and Contingent Assets’ and the amount initially recognised less cumulative amortisation recognised in accordance with AASB 118 ‘Revenue’.

(q) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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.

Dividend and interest revenue

Dividend revenue from investments is recognised when the shareholder’s right to receive payment has been established. 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.

3. Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the entity's accounting policies

The preparation of the financial report required the making of estimations and assumptions that affect the recognised amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Common Control transactions

The acquisitions of Auto Discounts and EVO Magazine are considered to be common control transactions with Catcha Media, and for consolidation purposes have been accounted for as business combinations under common control at carrying value by the Company. Management have elected to apply the pooling of interest method in accounting for business combinations involving entities under common control. Consequently no acquisition accounting in the form of a purchase price allocation has been undertaken, and therefore the assets and liabilities have not been remeasured to fair value, nor has any goodwill arisen. Accordingly, the assets and liabilities continue to reflect their carrying values in the Catcha Media accounting records immediately prior to the transfer to the Group, using Catcha Media's accounting policies prior to the business combinations occurring. The Group's financial results presented are consistent with the pooling of interests policy adopted by the Company where an acquisition has been accounted for under common control.

Two alternative approaches of presenting the financial statements were considered:

- the legal entity approach, where the results of the acquired entity were presented from the date of acquisition; and
- the reverse acquisition approach whereby an accounting acquirer of the Company will have been identified.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the balance sheet date was $2,600,000. Impairment losses have not been recognised in the current financial period. Details are provided in note 15.

Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are described in note 2(o). The useful lives of all classes of property, plant and equipment are reviewed annually at the end of each annual reporting period.

Allowance for doubtful debts

A provision for doubtful debts has been provided for estimated irrecoverable trade receivables past the average credit period. This provision is determined by reference to past default experience and any change in quality of trade receivables. In most instances amounts greater than 120 days are provided for as well as those amounts less than 120 days that have some uncertainty as to their collectability.

Share based payment transactions

The group 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 appropriately 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. This 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.

4. Segment information

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 company's reportable segments under AASB 8 are as follows:-

- Malaysia
- Indonesia
- Thailand
- Corporate

Segment revenues and results

The following is an analysis of the company's revenue and results by reportable operating segment for the current period.

	Revenue	Segment results
	2012 **$**	**2012** **$**
Malaysia	261,335	(707,382)
Indonesia	3,606	(260,515)
Thailand	41,351	(47,868)
Corporate	-	(740,853)
Other revenue		-
Profit before tax		(1,756,618)
Income tax benefit/(expense)		-
Consolidated segment revenue and profit for the period	306,292	(1,756,618)

All revenue is generated from external customers. The group does not have a major customer that contributes 10% or more to the group's revenue for the current period.

Segment assets and liabilities

	Segment assets	Segment liabilities
	2012 **$**	**2012** **$**
Malaysia	1,503,978	890,658
Indonesia	711,258	39,936
Thailand	831,009	19,179
Corporate	8,313,845	2,029,589
Other	-	-
Total segment assets	11,360,090	2,979,362
Consolidated total assets	11,360,090	2,979,362

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than 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; and
- 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.

5. Loss for the period from continuing operations

Loss for the period from continuing operations has been arrived at after charging/ (crediting):

	Consolidated
	2012 **$**
Employee benefits expense	
Salaries and wages	767,279
Superannuation and pension related	35,154
Commissions & incentives	273,566
Other employment benefits & allowances	74,614
Other employment related expenses	184,402
Termination benefits	-
	1,335,015
Share-based payments	
Equity-settled share-based payments	100,000
Cash-settled share-based payments	-
Total employee related expenses	1,435,015

Finance costs	
Interest Expense	-

6. Income taxes

Income tax recognised in profit or loss

	2012 **$**
Current tax	
Current tax expense/(benefit) in respect of the current year	-
Under/(Over) provision of prior year tax	-
	-
Deferred tax	
Deferred tax expense recognised in the current year	-
	-
Total income tax expense/(benefit) recognised in the current period	-

The income tax expense for the year can be reconciled to the accounting loss as follows:-

Loss before tax from operations	(1,756,618)
Income tax expense calculated at 30%	(526,985)
Effect of different tax rates of subsidiaries operating in other jurisdictions	53,182
Tax effect of:	
Temporary differences – accruals and provisions	143,556
(Under)/Over provision in prior years	-
Deductible costs relating to share issue expenses	(22,544)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	352,791
	-

Unrecognised deferred tax assets

Share issue costs
A deferred tax asset has not been recognised in relation to deferred share issue costs (which have been recognised directly into share capital) because, in the opinion of the directors, it is not probable that sufficient taxable income will be generated to utilise the future deductions.

Carry forward losses
A deferred tax asset has not been recognised in relation to the carry forward taxation losses because, in the opinion of the directors, it is not probable that sufficient Australia sourced taxable income will be generated to utilise the losses.

The tax rate used for the 2012 reconciliations above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

Deferred tax assets not brought to account as an asset

	2012 $
Tax losses – Revenue	352,791
Tax losses – Capital	-
Share issue costs deferred	22,544
	375,335

7. Key Management Personnel Compensation

(a) Details of key management personnel
The directors and other members of key management personnel of the Group during the period were:

Directors
- Patrick Grove — Non Executive (Chairman)
- Lucas Elliott — Non Executive
- Shaun Di Gregorio — Non Executive
- Mark Britt — Non Executive
- Nick Geddes — Non Executive
- Debra Thomas — Non Executive

Executives
- Damon Rielly — Chief Executive Officer
- Rod Brandenburg — Chief Financial Officer
- Joey Caisse — Chief Information Officer

(b) Compensation Practices
Refer to the Remuneration Report segment of the Directors Report.

(c) Key management personnel compensation
The aggregate compensation made to key management personnel of the company and the Group is set out below:

	2012 $
Short-term employee benefits	465,713
Post-employment benefits	-
Other long-term benefits	-
Termination benefits	-
Share based payment to directors	100,000
	565,713

There were no share options or tax deferred shares granted during the period ended 31 December 2012. Further information in relation to this and other details of the directors and senior executives compensation is contained within the remuneration report. Only payments already settled in shares are disclosed as share based payments above.

Share based payments

By an agreement between the Company and each of the Non-Executive Directors, the Non-Executive Directors have agreed to provide services to the Company. As detailed in the iCar prospectus the Non-Executive Directors will be remunerated in iCar Asia shares subject to shareholders approval.

The remuneration for services of Non-Executive Directors for the period ending 31 December 2012 includes $84,000 in respect of 399,619 shares which have not yet been issued to Non-Executive Directors. The issue of these shares to Non-Executive Directors is subject to the approval of iCar Asia members at the next Annual General Meeting.

8. Auditors' Remuneration

	Consolidated
	2012 $
Remuneration of the auditor of the parent entity for:	
Auditing or reviewing the group financial report	65,000
Investigative accountant services during the IPO	135,000
Total	**200,000**

The auditor of iCar Asia Limited is Ernst & Young.

***** The fee paid to Ernst & Young for auditing the group financial report is inclusive of auditing the financial accounts of the subsidiaries and their respective local annual reports. The fee has not been allocated.

9. Earnings Per Share

	Consolidated 2012 Cents per share
Basic loss per share	
From continuing operations	(2.43)
From discontinued operations	-
Total basic loss per share	(2.43)
Diluted loss per share	
From continuing operations	(2.43)
From discontinued operations	-
Total diluted loss per share	(2.43)

Basic loss per share

The loss and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2012 $
Loss for the period attributable to owners of the Company	(1,756,618)
Other	-
Loss used in the calculation of basic EPS	(1,756,618)
Adjustments to exclude profit for the period from discontinued operations	-
Loss used in the calculation of basic EPS from continuing operations	(1,756,618)

	2012 No.
Weighted average number of ordinary shares for the purposes of basic loss per share	72,289,442

Diluted earnings per share

The loss used in the calculation of diluted earnings per share is as follows:

	2012 $
Loss for the period attributable to owners of the Company	(1,756,618)
Other	-
Loss used in the calculation of diluted EPS	(1,756,618)
Adjustments to exclude profit for the period from discontinued operations	-
Loss used in the calculation of diluted EPS from continuing operations	(1,756,618)

	Consolidated 2012 No.
Weighted average number of ordinary shares used in the calculation of basic EPS	72,289,442

There are no potential ordinary shares that are considered not dilutive as they do not meet the requirements for inclusion as per AASB 133 earnings per share.

10. Cash and cash equivalents

	2012 $
Cash at bank	1,773,043
Term deposits	4,500,000
Cash and cash equivalents	**6,273,043**

11. Trade and other receivables

	2012 $
Trade receivables	238,388
Less provision for doubtful debts	-
	238,388
Other	-
Total trade and other receivables	**238,388**

The average credit period on rendering of services is 30 days for direct client billings and 90 days for agency billings. The group does not charge interest on trade receivables for amounts owing past the 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.

Age of trade receivables that are past due but not impaired:-

31-60 days	110,169
61-90 days	46,071
91 plus days	36,640
Total	192,880

Movement in the provision for doubtful debts:

Balance at the beginning of the period	-
Doubtful debts allowance recognised during the period	-
Impairment losses reversed	-
Balance at the end of the period	-

Age of impaired trade receivables:-

31-60 days	-
61-90 days	-
91 plus days	-
Total	-

12. Other assets

Deposits and prepayments	156,274

13. Plant and equipment

	2012 $
Plant and equipment	
At cost	116,290
Less: Accumulated depreciation	(13,697)
	102,593
Furniture and fittings	
At cost	37,680
Less: Accumulated depreciation	(4,004)
	33,676
Leasehold improvements	
At cost	119,092
Less: Accumulated depreciation	(10,085)
	109,007
Total plant and equipment	**245,276**

Movement in carrying amounts

Movement in the carrying amounts of each class of plant and equipment between the beginning and the end of the current financial period are set out below:

	Consolidated			
	Plant and equipment $	Furniture and fittings $	Leasehold improvements $	Total $
Balance brought forward	-	-	-	-
Additions	41,926	37,680	20,030	99,636
Disposals	-	-	-	-
Acquisitions through business combinations	66,645	-	91,105	157,750
Depreciation	(5,978)	(4,004)	(2,128)	(12,110)
Net foreign currency exchange differences	-	-	-	-
Balance at 31 December 2012	**102,593**	**33,676**	**109,007**	**245,276**

14. Intangible assets

	2012 $
Websites, domain names, trademarks and other intangibles	
Balance at the beginning of the financial period	-
Additions and adjustments	1,847,347
Amortisation	(238)
Total intangible assets	**1,847,109**

Websites and domain names are considered to have indefinite lives and as such are assessed for impairment on an annual basis. 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.

	2012 $
Evo License (Malaysia)(i)	640,000
Autospinn.com website (Thailand)(ii)	785,117
Website Mobil123.com (Indonesia)	400,000
Website development (external)	21,992
	1,847,109

(i) EVO Magazine acquisition was completed on 27 July 2012 for consideration of 4,000,000 iCar shares at 16 cents per share.

(ii) The Autospinn.com acquisition was completed on 5 September 2012 for total consideration of (THB 25,000,000 (AUD 785,118) on completion THB 15,000,000 (AUD 472,888) was paid in cash and THB 5,000,000 (AUD 156,115) was paid in shares at the IPO price. A further THB 5,000,000 (AUD 156,115) in cash or shares at the IPO price is payable within 12 months of balance date. Refer to Note 16 for further information.

15. Goodwill

	2012 $
Cost	2,600,000
Accumulated impairment	-
	2,600,000

Cost	
Balance at the beginning of the period	-
Additional amounts recognised from business combinations occurring during the period (Note 25)	2,600,000
Other	-
Balance at the end of the period	**2,600,000**

Goodwill is allocated for impairment testing purposes to the following cash-generating units with the carrying amount as follows:

	2011 $
PT Mobil Satu Asia (Indonesia)	2,600,000
	2,600,000

Management believes that due to the time between completion of acquisitions and period end and the provisional nature of the accounting for goodwill and intangibles, it would not be appropriate to perform an impairment review as at 31 December 2012. Management have however completed a review of indicators of impairment, concluding that due to the outperformance against the forecasted results for key operational metrics of the Groups CGU's no impairment indicators exist. For details of acquisitions from business combinations during the period refer to note 25.

Management will complete on an annual basis a review of the carrying amount of goodwill and intangible assets to determine whether there is any indication that goodwill or intangible assets have been impaired. The discount cash flow method of measurement will be used to estimate the recoverable amount of those assets.

16. Trade and other payables

	2012 $
Trade payables and accruals	273,301
Billings in advance	83,613
Deferred consideration (i)	1,631,115
	1,988,029

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

(i) The deferred consideration relates to future earn out provisions in relation to the acquisition of the second 50% of Auto Discounts Sdn Bhd owner of Carlist.my (AUD 1,475,000 in cash or shares at the IPO price) and the domain Autospinn.com (THB 5,000,000 (AUD 156,115) in cash or shares at the IPO price) as outlined in the company prospectus. Both amounts are due within 12 months of balance date.

17. Provisions

	2012 $
Current	
Employee entitlements	
Opening balance	-
Amounts charged	28,497
Payments made	-
Closing balance	28,497
Staff incentives and bonuses	231,487
Other amounts	77,966
	337,950
Number of employees	124

18. Issued Capital

	2012 $
139,405,573 fully paid ordinary shares	21,053,923

Changes to the then Corporations Act abolished the authorised capital and par value concept in relation to share capital from 1 July 1998.

	2012	
	No.	$
Fully paid ordinary shares		
Balance at beginning of financial period	-	-
Issue of shares	139,405,573	22,181,115
Share issue costs	-	(1,127,192)
Balance at end of financial period	**139,405,573**	**21,053,923**

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholder meetings each ordinary share is entitled to one vote when a poll is called. Otherwise each shareholder has one vote on show of hands.

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 in note 28 to the financial statements and in the Directors Report.

19. Reserves

	2012 $
Reserves	
Equity reserve	(10,965,292)
Equity settled employee benefits reserve	100,000
Foreign currency translation reserve	(51,283)
	(10,916,575)

Equity reserve	
Balance at beginning of financial period	-
Equity reserve resulting from acquisition of interest in controlled entity	(10,965,292)
Balance at end of financial period	(10,965,292)

Equity settled employee benefits reserve

Balance at beginning of financial period	-
Recognition of expense	100,000
Balance at end of financial period	100,000

Foreign currency translation reserve

Balance at beginning of financial period	-
Exchange differences arising on translating the foreign operations	(51,283)
Balance at end of financial period	(51,283)

Exchange differences relating to the translation of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Australian dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating the foreign operations) are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

20. Accumulated losses

Balance at beginning of financial period	-
Loss attributable to members of the parent entity	(1,756,618)
Balance at end of financial period	(1,756,618)

21. Contingent liabilities and contingent assets

There are various claims that arise in the ordinary course of business against iCar Asia Ltd and its subsidiaries. The amount of any additional liability (if any) at 31 December 2012 cannot be ascertained and iCar Asia Limited believes that any resulting liability would not materially affect the position of the group.

22. Capital and leasing commitments

Finance lease commitments

The consolidated entity does not have any finance leases.

Non cancellable operating lease commitments

Non cancellable operating leases contracted but not capitalised in the financial statements

	2012 $
Not longer than 1 year	118,887
Longer than 1 year and not longer than 5 years	110,935
Longer than 5 years	-
	229,822

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

23. Controlled entities

Controlled entities at the date of this report

	Country of incorporation	Proportion of owners interest and voting power held by the Group 2012 %
Parent entity		
iCar Asia Limited		
Subsidiaries of iCar Asia Limited		
iCar Asia Pte Ltd	Singapore	100
Subsidiaries of iCar Asia Pte Ltd		
Netyield Sdn Bhd	Malaysia	100
Auto Discounts Sdn Bhd	Malaysia	100
PT Mobil Satu Asia	Indonesia	100
iCar Asia (Thailand) Limited	Thailand	100

24. Notes to the statement of cash flows

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand in banks at call as well as including term deposits with a maturity of less than 6 months, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial period as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	2012 $
Cash and cash equivalents	6,273,043

(b) Reconciliation of loss for the period to net cash flows from operating activities

Cash flows from operating activities	2012 $
Loss for the period after income tax	(1,756,618)
Non-cash flows in loss from ordinary activities	
Depreciation and amortization	12,348
Share based expense	100,000
Movement in working capital:	
(Increase)/decrease in trade and other receivables	(238,388)
(Increase)/decrease in other assets	(156,274)
Increase/(decrease) in payable to related entity	(178,182)
Increase/(decrease) in trade and other payables	356,914
Increase/decrease) in provisions	337,951
Net cash generate from/(used in) operating activities	(1,522,249)

25. Business combinations

Name of business acquired	Principal activity	Date of acquisition	Percentage of shares acquired %	Cost of acquisition $
Acquisitions in 2012				
PT Mobil Satu Asia	Operator of online property portal (Mobil123.com)	5 September 2012	100	3,000,000

Consideration transferred

	PT Mobil Satu Asia	Total
Cash	1,000,000	1,000,000
10,000,000 shares on completion	2,000,000	2,000,000
Total	**3,000,000**	**3,000,000**

Acquisition-related costs amounting to $18,205 have been excluded from the consideration transferred and have been recognised as an expense in the period.

Assets acquired and liabilities assumed at the date of acquisition

	PT Mobil Satu Asia	Total
Current assets		
Cash and cash equivalents	-	-
Non-current assets		
Website	400,000	400,000
Liabilities	-	-
Net Assets	**400,000**	**400,000**

The initial accounting for the acquisition of PT Mobil Satu Asia has only been provisionally determined at the end of the reporting period. At the date of finalisation of these consolidated financial statements, the necessary market valuations and other calculations have not been finalised and therefore the fair value of the goodwill, intangibles and other assets and liabilities have only been provisionally determined.

Goodwill arising on acquisition

	PT Web Marketing	Total
Consideration transferred	3,000,000	3,000,000
Less: fair value of identifiable net assets acquired	(400,000)	(400,000)
Goodwill arising on acquisition	2,600,000	2,600,000

Goodwill arose in the acquisition of PT Mobil Satu Asia because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively includes amounts in relation to the benefit of expected synergies, revenue growth, and future market development of PT Mobil Satu Asia. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Net cash outflow on acquisition

	2012 $
Consideration paid in cash	1,000,000
Less: cash and cash equivalent acquired in purchase of PT Mobil Satu Asia	-
Net cash flow on acquisition	1,000,000

Impact of acquisitions on the results of the Group

Included in the loss for the period is $260,515 attributable to the additional business generated by PT Mobil Satu Asia. Revenue for the period includes $3,606 that relates to PT Mobil Satu Asia.

The directors do not consider it practical to estimate what the consolidated revenue and profit for the period ended 31 December 2012 would have been if the acquisition had occurred on 1 January 2012 as the financial statements of PT Mobil Satu Asia previously were unaudited.

The acquisition was made as the board identified it as being the best entry point into the emerging high growth market of Indonesia.

26. Related party transactions

(a) Equity interests in subsidiaries

iCar Asia Limited owns 100% of ordinary shares in all its subsidiaries (refer to note 23)

(b) Transactions with key management personnel

There were no transactions or loans between the company and key management personnel other than those disclosed below in related party transactions.

(c) Key management and directors equity holdings

The following shares are either held directly or via an associated party.

Fully paid ordinary shares of iCar Asia Limited

	Opening Balance No.	Granted as compensation No.	Received on exercise of options No.	Net other change No.	Balance at 31 December 2012 No.	Shares not yet issued*
2012						
Directors						
Patrick Grove**	-	-	-	80,094,000	80,094,000	95,147
Lucas Elliott**	-	-	-	80,094,000	80,094,000	76,118
Shaun Di Gregorio^	-	-	-	833,333	833,333	76,118
Mark Britt^	-	-	-	416,667	416,667	76,118
Nick Geddes	-	-	-	-	-	76,118
Executives						
Damon Rielly	-	-	-	-	-	-
Rod Brandenburg	-	-	-	500,000	500,000	-
Joey Caisse	-	-	-	-	-	-

*These shares have not yet been issued to Non-Executive Directors, however the cost of these has been included in Non-Executive Director remuneration. The issue of these shares is subject to shareholder approval at the next annual general meeting.

** Both Patrick Grove and Lucas Elliott have a relevant interest in securities held by Catcha Group Pte Ltd, Catch 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.

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

(d) Transactions with other related parties

Transactions between iCar Asia Ltd and its related parties

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

Transactions with Director-related Entities:	**2012** **$**
Administrative services, facilities, accountancy, occupancy and fees associated with the IPO of iCar Asia were charged by the Catcha Group of companies which are associated with Patrick Grove and Lucas Elliott. The amount includes expenses paid on behalf of the Group prior to it opening a bank account as well as an amount retained by Catcha Media for services performed.. The outstanding unpaid balance at the end of the period is $6,122.	889,543
Administrative services, facilities, accountancy and occupancy fees 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 Group 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 $31,501	73,081
Company Secretarial Fees and expenses incurred on behalf of the Group were charged by Australian Company Secretaries Pty Ltd, a company associated with Nick Geddes. The outstanding unpaid balance is $5,009	36,862
	999,486
Share transactions of Directors	
Directors and director-related entities hold directly, indirectly or beneficially as at the reporting date the following equity interests in the Company:	
- Ordinary shares	81,344,000

27. Financial risk management

The Group's corporate treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk analysis by management on a regular basis including exposures by degree and magnitude of risks. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The main risk arising from the Group's financial instruments are

- Capital risk
- Interest rate risk
- Foreign currency risk
- Credit risk
- Liquidity risk

(a) Capital risk management

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

The Group's overall strategy remains unchanged from the prospectus lodged as part of the Initial Public Offering. The capital structure of the Group includes equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 18,19 and 20 respectively. The Group operates in various countries, primarily through subsidiary companies established in the markets in which the Group trades.

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

Gearing ratio

The gearing ratios based on continuing operations at 31 December 2012 were as follows:

	2012 $
Total borrowings	(653,381)
Cash and bank balances	6,273,043
Net debt	-
Equity (i)	(10,137,348)
Net debt to equity ratio	N/A

(i) Equity includes all capital and reserves of the Group that are managed as capital.

(b) Interest rate risk management

The Group manages its interest rate risk by ensuring that operations are sustained by operating cash flows as much as possible and so debt facilities are not required. The Group's exposure to interest rate risk is limited to the movement in interest rate in terms of its cash held at bank as listed in note 10.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management of this note.

Interest rate sensitivity

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the period ended 31 December 2012 would increase/decrease by $11,930. This is mainly attributable to the Group's exposure to interest rates on its cash held at bank. The group earned $21,859 in interest income which is an average return of 0.92% on its average cash balance for the period.

(c) Foreign currency risk

The Group 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 entities functional currency, no sensitivity analysis has been prepared.

(d) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group 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 Group 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 Group's maximum exposure to credit risk.

(e) Liquidity risk management

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

Liquidity and interest risk tables
The following table details the Group's remaining contractual maturity for its non-derivative financial assets and liabilities. The Group does not have any derivative financial assets and liabilities.

31 December 2012	Weighted average effective interest rate	1-3 months ($)	3 months to 1 year ($)	1-5 years ($)	5+ years ($)	Total ($)
Financial assets						
Cash and cash equivalent	0.92%	5,273,043	1,000,000	-	-	6,273,043
Trade receivables	0.00%	238,388	-	-	-	238,388
Other receivables	0.00%	-	-	-	-	-
		5,511,431	1,000,000	-	-	6,511,431
Financial liabilities						
Trade payables	0.00%	356,914	-	-	-	356,914
Other payables	0.00%	-	-	-	-	-
		356,914	-	-	-	356,914

28. 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 ending 31 December 2012. There are no outstanding options in iCar Asia Shares.

Amount Included Under Employee Benefits Expense in Statement of Comprehensive Income
There were no amounts included under employee benefits expense in the statement of comprehensive income that relates, in full, to amortisation of equity-settled share-based transactions.

29. Parent entity disclosures

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to note 2 for a summary of the significant accounting policies relating to the Group.

	31 December 2012 $
Financial position	
Assets	
Current assets	5,893,420
Non-current assets	5,994,038
Total assets	11,887,458
Liabilities	
Current liabilities	2,029,589
Non-current liabilities	-
Total liabilities	2,029,589
Net Assets	**9,857,869**
Equity	
Issued capital	21,053,923
Retained earnings	(740,854)
Reserves	
Equity Reserve	(10,555,200)
Equity settled employee benefits reserve	100,000
Total reserves	(10,455,200)
Total equity	**9,857,869**

	Period ended 31 December 2012 $
Financial performance	
Loss of the parent entity	(740,854)
Other comprehensive income	-
Total comprehensive income	**(740,854)**

30. Subsequent events

On 7 January 2013 the company announced the acquisition of the DQBP Sdn Bhd the owners of the website and magazine Live Life Drive in Malaysia for a total consideration of up to MYR 6.5 million (AUD 2.03 million) consisting of both cash and shares. On 4 February 2013 the company announced the acquisition of Thaicar.com and associated assets, an automotive classified website in Thailand for a total consideration of AUD 400,000 consisting of both cash and shares. Further information about these acquisitions can be found in the announcements on the ASX website.

There has not arisen in the interval between the end of the reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

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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 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period 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 period end or from time to time during the period.

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.

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 2012 and of its performance for the period 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 6 to 10 of the directors' report for the period ended 31 December 2012. 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 period ended 31 December 2012, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

David McGregor

D. R. McGregor
Partner
Melbourne
28 February 2013

Corporate Directory

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Company Secretary
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The Board
Patrick Grove (Chairman)
Lucas Elliott
Nicholas Geddes
Mark Brit
Shaun Di Gregorio

Chief Executive Officer
Damon Rielly
Email: Damon.Rielly@icarasia.com

Chief Financial Officer
Rod Brandenburg
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Websites
www.icarasia.com

Auditors
Ernst & Young
8 Exhibition Street
Melbourne VIC 3000

ASX Listing Code
ICQ

Annual General Meeting
Details of iCar Asia's first annual meeting will be included in the full Annual Report to be released in March 2013.