TRANSF

Cabcharge

ANNUAL
REPORT
2015

FORMATI

Over the past year we have transformation strategy team. Many significant accomplished and many

Together, our people and projects are transforming Cabcharge into an agile business, primed for a new chapter of growth and expansion in payments and transport technology. Our people are firmly focused on the road ahead. But we have not forgotten our past – in fact we are commencing our journey into the future from a strong starting point. During the year we were able to invest significantly in future growth platforms, generate cash for distribution to shareholders, and strengthen our balance sheet.

Andrew Skelton
Chief Executive Officer

ON2015

embarked on a business under a new leadership projects have been more are in the pipeline.

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ANNUAL GENERAL MEETING

The 2015 Cabcharge Australia Limited Annual General Meeting will be held on Wednesday, 18 November 2015 at 11am (AEST) in the Heritage Ballroom at The Westin Sydney, 1 Martin Place, Sydney, NSW 2000.

ABN 99 001 958 390

ABOUT US

Taxi networks

More than 7,000 taxis

Cabcharge provides leading taxi network services to taxi operators and drivers and is the largest taxi booking and dispatch service provider in Australia. More than 7,000 taxis operate on the Cabcharge networks in Sydney, Melbourne, Adelaide and Newcastle. Cabcharge's taxi networks provide contact centre, vehicle fit-out, taxi licence management and insurance services to affiliated taxi operators while focusing on the delivery of quality services to drivers and passengers and technological innovation.

Payments

Forefront of payment technology

Cabcharge facilitates non-cash payments in taxis via electronic terminals. Cabcharge payments have been operating successfully for almost 40 years, and remain at the forefront of cashless payment technology through continuous improvement and innovation. Cabcharge offers passengers a convenient, fast and secure method for fare payments via a range of payment options.

We have applied our payments technology expertise and knowledge to provide clients in the banking and retail sectors with payments and funds transfer solutions. And our expertise in this expanding technology field is also generating a range of new and exciting business opportunities.

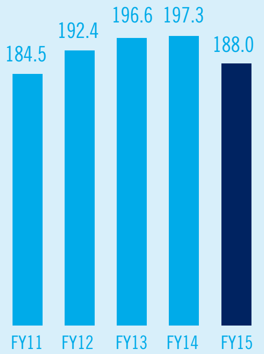
Investments

49% investment in bus operator and UK taxi services operator

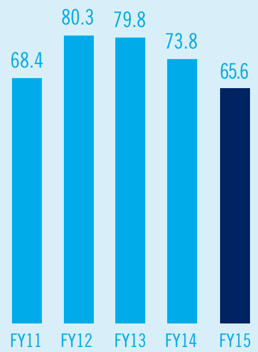
Cabcharge holds a 49% investment in ComfortDelGro Cabcharge (CDC), Australia's largest private bus operator. CDC provides route and school bus services in Sydney, the Hunter Valley, Queanbeyan and the Blue Mountains in New South Wales, and in Melbourne, Geelong and Ballarat in Victoria.

Cabcharge also holds a 49% interest in CityFleet UK, which provides account, booking and dispatch services for taxis and private hire vehicles in London, Birmingham, Liverpool, Edinburgh and Aberdeen, and coach services in London.

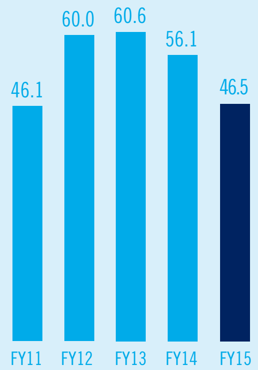
2015 OVERVIEW



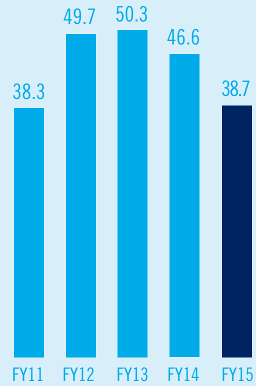
$188.0m
revenue



$65.6m
EBITDA excluding profit from Associates



$46.5m
profit after tax



38.7c
earnings per share

FINANCIAL OVERVIEW

- Total revenue of $188 million down 4.7% on prior corresponding period (pcp).
  - Taxi related services revenue up 2.6% to $99.1 million due to taxi fleet growth (up 7.9%) as more taxis chose to affiliate with Cabcharge's taxi networks in Sydney and Melbourne.
  - Taxi service fee income down 15.3% to $75.9 million, impacted by a government imposed limit of 5% for service fees on taxi payments in Victoria, New South Wales and Western Australia.
  - Other revenue up 17.3% to $12.6 million driven by increased bus revenue in South Australia and revenue from FAREWAYplus in-taxi equipment.
- Total taxi fares processed increased 8.6% as Cabcharge continued to win share in changing market.
- Reported net profit after tax (NPAT) $46.5 million, down 17.1% on pcp primarily due to lower service fee income in major domestic markets and lower equity accounted profits of Associates that outweighed the benefit of market share gains in both payments and taxi related services.
- Implemented major cost reduction projects to yield $7 million in annualised savings ($4.5 million in FY15), including:
  - Discontinued taxi driver bonus in NSW to ensure parity with other states.
  - Closed TCS Smash Repairs.
  - Restructured 13LIMO business.
  - Managed net reduction in merchant processing fees to taxi networks arising from price cap.
  - Migrated 60% of active Cabcharge clients onto electronic statements.
  - Negotiated reduced processing costs with NAB, Amex and other third party card providers.
- Cash operating expenses down 1.4% to $112.1 million while delivering on strategic objectives of increasing taxi fleet, developing applications linking bookings and payments and deployment of a new payments switch and in-vehicle technology to support payments strategy.
- Continuing strong cash generation with cash conversion ratio of 83% (FY14: 80%).
- Capital expenditure increased to $13.7 million as we invest in our platforms for future growth including our payments switch and FAREWAYplus terminals.
- Free cash flow of $37 million used to reduce net debt by $12.9 million and pay dividends of $24.1 million.
- Net debt at 30 June 2015 $104.3 million and net debt to equity ratio 26.6% versus 32% at 30 June 2014.
- Full year dividend 20 cents per share fully franked (52% payout ratio of NPAT).

2015 OVERVIEW

Built new payments switch and payment gateway

Agreement with Secure Parking to provide a software solution for the processing of electronic payments

Registered new brand for launch of national smartphone app

OPERATIONAL OVERVIEW

- Announced agreement with Secure Parking to provide a software solution for the processing of electronic payment and credit card transactions in Secure Parking's car parks throughout Australia.
- Significant increase in taxi fleet numbers led by Victoria and New South Wales – net fleet increase of 533 cars to 7,259.
- Standardised and migrated multiple taxi booking applications onto a common technology platform.
- Migrated all network contact centres onto common dispatch technology platform and instituted national call answer standards.
- Selected a new phone system for national roll-out in 2015.
- Registered new brand for launch of national smartphone app.
- Strong technology developments for taxi bookings and payments:
  - Designed and processed in-app payments for pilot program at Bellarine Taxis.
  - Built and delivered in-app payments to third party dispatch services providers for testing with their customers.
  - Prepared payment functionality for network apps (e.g. 13CABS) for release in 2015.
- Launched Australia's first taxi booking app for Apple Watch.
- Processed first Apple Pay transaction in the field.
- Delivered pinpad software to Woolworths and PC Eftpos code to Westpac and Suncorp.
- Built a payments gateway to facilitate broader acceptance of Cabcharge FASTCARDS and eTICKETS through our payments switch.
- Achieved strong volume growth through the Cabcharge payments terminals in Victoria (up 22.6%) and New South Wales (up 15.9%) to mitigate the revenue impact of government imposed limits on service fees.
- Trialled FAREWAYplus taxi meters and deployed 3,000 in Queensland in response to regulatory requirements.
- Added 34 cars from Peninsula Cabs to our Black Cabs Combined network to service the Mornington Peninsula area, and finalising the acquisition of Dandenong Taxis.
- Added two new taxi network customers to our bureau service.
- Launched a revitalised taxi network brand in Adelaide and consolidated branding between the Melbourne and Adelaide networks as 13CABS.

Launched Australia's first taxi booking app for Apple Watch

Net fleet increase of 533 cars to 7,259 led by Victoria and NSW and expanded operational footprint to include Mornington Peninsula

Enhanced customer service via customer service roles and training

Announced two new Board appointments

- Established dedicated merchant support team and entered new agreements with taxi networks in Victoria, NSW and WA to reflect the imposition of price controls.
- Boosted support for merchants with implementation of new website for merchants and Customer Relationship Management (CRM) system.
- Enhanced customer service via increased number of customer service roles and upgraded recruitment and training.
- Restructured Combined Communications Network (CCN) contact centre and implemented team-based best practice.
- Introduced Tiger Team to Adelaide (mobile driver security and support services).

BOARD, MANAGEMENT AND GOVERNANCE

- Announced two new Board appointments effective 21 August 2015:
  – Stephen Stanley, previously Head of Strategy and M&A at Toll Group and CEO of Mayne Logistics.
  – Trudy Vonhoff, Director of Ruralco Holdings and AMP Bank Limited. Previously a Senior Executive at Westpac and AMP.
- Implemented national management operating structure with new executive team.
- Announced new Chief Financial Officer in April 2015 and appointee commenced work in July 2015.
- Appointed General Counsel and Company Secretary in October 2014.
- Established new remuneration framework and implemented new executive employment contracts.
- Implemented high performance work culture initiatives.

CHAIRMAN'S REPORT

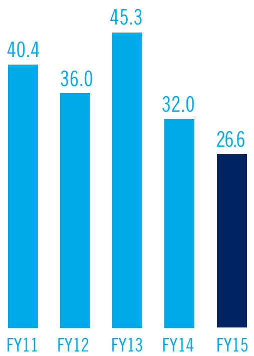
I am very pleased to report that Cabcharge produced a strong operational and financial performance in 2015 under a new management team that rapidly and successfully completed a significant number of major projects during the year.

Russell Balding, AO
Chairman

DIVIDEND PAYOUT RATIO OF NPAT

52%

NET DEBT TO EQUITY RATIO



While our result, in the main, was affected by the impact of the introduction of laws to limit service fees on non-cash taxi payments, as well as lower equity accounted profit from Associates, we still achieved an EBITDA[1] of $65.6 million and net profit after tax of $46.5 million on revenue of $188 million.

We also continued to strengthen our corporate governance practices, invest in our core business and technological expertise, and set a new longer-term strategy for growth and development after successfully achieving our short-term strategic imperatives during FY15.

BOARD AND GOVERNANCE

Last year I said that we would continue to look for additional Board and executive level talent to enhance our capabilities in critical business areas.

I am pleased to report that we announced the appointment of two new independent Non-Executive Directors to our Board effective 21 August 2015. After a rigorous search and selection process that took into account shareholder views in relation to skills and independence, we announced the appointments of Mr Stephen Stanley and Ms Trudy Vonhoff, both of whom bring a wealth of experience and commercial business skills to the Cabcharge Board.

Stephen Stanley was Director of Strategy, Corporate Development at Toll Holdings for thirteen years. Stephen was instrumental in guiding Toll's transformative growth into a leading global logistics operator heading the strategy and merger and acquisition activity domestically and internationally. In his role, Stephen represented Toll on numerous JV Board's developing extensive experience in supporting and guiding businesses strategic direction and cost initiatives involving complex regulatory and cultural corporate governance environments.

Prior to Toll, Mr Stanley was the CEO of Mayne Logistics at the Mayne Group. His experience in addressing business strategy, operational cost improvements and technology enhancements in the rapidly changing transport and logistics sector make him an ideal addition to the Cabcharge Board at this exciting time in our Company's development.

Trudy Vonhoff is a director of Ruralco Holdings Limited, AMP Bank Limited and Tennis NSW Limited and is a member or Chair of the Audit & Risk Committees for each of those three organisations, as well as chairing the Nomination and Remuneration Committee at Ruralco Holdings. Ms Vonhoff has also held senior executive positions with Westpac and AMP, and her extensive financial services and commercial experience makes her a valuable addition to the Board.

The Board was also pleased to announce the appointment of our CEO Andrew Skelton as Managing Director in December 2014.

Two Non-Executive Directors resigned from the Board during the year. Mr Ian Armstrong retired after fifteen years of dedicated service and Mr Rod Gilmour who served on the Board for approximately five months until his resignation in November 2014.

Unfortunately however, after almost 20 years of extraordinary service to Cabcharge, Neill Ford is stepping down from the Board. Neill is a true stalwart in the taxi industry and brought an in-depth knowledge of the taxi industry to the Cabcharge Board table.

During the year, the Board also established a new remuneration framework and implemented new executive employment contracts, continuing our generational change in corporate governance and remuneration matters.

STRATEGY

After successfully fulfilling our short-term strategic objectives through a comprehensive program of initiatives around retail and corporate customers, taxi networks, passengers, operators and drivers, and technology advancements, our executive team now focuses its attention on the medium term strategic imperatives that will transform this Company.

We launch into this new period from a strong foundation in our core business.

Our new Payments and Networks strategies build on our core business knowledge and expertise and present new prospects for growth by applying our technological capability to related fields in adjacent sectors. Our agreement with Secure Parking that we announced earlier this year is one such example of the opportunities that are available to us.

BALANCE SHEET AND DIVIDEND

It was pleasing to again reduce debt in FY15, particularly given pressure from increased regulatory price limits and significant investment in the business. Total borrowings decreased by $30.9 million to $128.2 million, while net debt fell to $104.3 million, leaving the net debt to equity ratio five percentage points lower at 26.6%.

The Board and Management continue to take a prudent approach to leverage while ensuring the Company invests in the competitive position of its products and therefore shareholder value.

Our focus on capital management is aimed at striking the right balance between gearing the company for growth within conservative balance sheet parameters while ensuring shareholders continue to receive appropriate dividends.

The Board declared a final dividend of 10 cents per share fully franked, taking the full year dividend to 20 cents per share fully franked.

OUTLOOK

Although Cabcharge is still in a transitional phase, and notwithstanding the challenges presented to us through increased, but unregulated competition, I am confident about the long-term future of the Cabcharge business.

We will continue to invest in our primary business to ensure its ongoing success and market leadership as an agile and proactive transport-related business that is primed for a new chapter of growth and expansion in payments and transport technology.

I am also confident that our technical competence in payments and our deep understanding and engagement with the needs of the taxi industry will enable us to continue to operate profitably, and in doing so generate cash flow to invest in product development, ensure prudent capital management and return sustainable dividends to our shareholders. Your Board will also continue to look at future growth and diversification opportunities so as to leverage off our core business infrastructure and skills base.

Finally, on behalf of the Board I would like to thank all our customers, staff and shareholders for their continued loyalty and support during this time of change and transition for the Company to a contemporary and proactive operating model that promises an exciting future for Cabcharge.

1. EBITDA before profit from Associates is earnings, excluding share of Associates' profit, and before net finance costs, tax, depreciation and amortisation.

RETIREMENT OF NEILL FORD

This year, Cabcharge extends its sincere thanks to Deputy Chairman and Chairman of the Corporate Governance Committee, Neill Ford who has decided to retire as a director at the Company's 2015 Annual General Meeting.

Mr Ford has served as a director of Cabcharge for almost two decades and was a member of the Board when the Company was first listed on the ASX.

With more than 40 years' experience in the taxi industry, Neill has brought incredible experience, understanding and insight to the Board.

As director, he has provided guidance and advice to both the Board and management on the implementation of numerous major strategic initiatives of the Company. These have included joint ventures with international taxi and transport companies and Australian acquisitions intended to enhance the Company's technology and customer base.

More recently, Neill has overseen the transformation of the Company's remuneration structure and corporate governance systems to better position the company to navigate the rapid change in the taxi, transport and technology sectors.

Neill's passion for new technologies and their integration into operational business structures has been key to many of Cabcharge's leading innovations. These have included the roll out of GPS in payment terminals in taxis in 2003, the introduction of contactless payments systems in 2008, and the launch of the first smartphone booking apps in the Australian market in 2009.

We wish Neill every success in all his future endeavours and thank him for his outstanding contributions to Cabcharge.

CHIEF EXECUTIVE OFFICER'S REPORT

During the 2015 financial year, we commenced the new era at Cabcharge by successfully completing a number of significant short-term strategic tasks to prepare the Company for business transformation under our new leadership team.

Andrew Skelton
Chief Executive Officer

We have spent the last year strengthening our team, our technology and our balance sheet. We have begun the process of building strong foundations for future growth. We have revitalised our focus on our customers. Throughout a year of significant change we have maintained the discipline and energy required to achieve significant market share gains in both taxi network services and taxi payments. We operate on the basis that the environment around us will continue to present various challenges, but we know we are better placed than ever before to deliver improved services to passengers, drivers and taxi operators.

FINANCIAL PERFORMANCE

The Company delivered a strong operating result in the context of government imposed price controls on our services in three states. Reported NPAT was $46.5 million, down $9.6 million (17.1%) on the prior year against revenue of $188 million, down 4.7%.

The main factor impacting the result was the introduction of laws in New South Wales and Western Australia during FY15, and in Victoria in FY14 to limit the service fees on cashless taxi payments to 5%.

Reported NPAT was also adversely affected by a $4 million decline in the equity accounted net profit contribution from our Associates, ComfortDelGro Cabcharge (CDC) and CityFleet Networks (CFN).

Our operating margins and returns remain robust. Before profit from Associates, our FY15 EBITDA[1] margin was 34.9% and our EBIT[2] margin 27.7%, while our ungeared return on investment in our Australian taxi related services was 20.4% for the year[3].

Performance in our taxi networks business was pleasing with members taxi related services revenue growing by 2.6% to $99.1 million as we achieved record growth in the number of taxis choosing to affiliate with our taxi networks in Melbourne and Sydney.

Total taxi fares processed through our payments system increased 8.6% to $1,118 million as we continued to win share in a competitive payments processing market. However, growth in taxi fares processed was more than offset by the impact of price controls on our service fees which resulted in an overall 15.3% decrease in taxi service fee income to $75.9 million.

We controlled expenses effectively, with cash operating expenses down 1.4% – a good result given the significant level of activity in transforming and revitalising business operations during FY15. Previously announced initiatives with $7 million annualised savings were implemented during the year with an impact of $4.5 million in FY15.

We continued to generate strong cash flow from operations of $50 million in FY15 and reduced net debt by $12.9 million resulting in a conservatively geared balance sheet with a net debt to equity ratio of 26.6% at 30 June 2015.

ASSOCIATES

CDC's equity accounted net profit contribution was $3.7 million lower at $15.2 million in FY15. This was primarily due to costs incurred in the transition into the new Sydney region 4 contract as well as loss of regions 1 and 3 in October 2013.

From December 2014, CDC commenced operations of Blue Mountains Bus Company.

CFN's equity accounted net profit contribution decreased 15.5% to $1.4 million due largely to the impact of the downturn in the oil and gas industry on profits from the Aberdeen taxi services. The performance of Aberdeen, continuing competitive pressures on CFN's taxi services in London and an increase in the discount rate used in valuation calculations contributed to an impairment charge on CFN of $10.3 million.

STRATEGY

We have successfully delivered on the short-term strategic tasks that we set for FY15. During the year we were able to invest significantly in future growth platforms, generate cash for distribution to shareholders, and reduce debt – an outcome which positions us to build on our competitive gains for FY15 in both total taxi fares processed and fleet growth in our networks.

These achievements now provide a solid foundation from which to further develop and grow our business.

We are now pursuing our transformative strategic objectives of increasing our taxi fleet size, establishing a uniform taxi network national operating model, deploying technologies that link bookings and payments, arresting previous declines in transaction volumes through Cabcharge accounts and deploying new core switching and in-vehicle technology to support our payments strategy.

A particular focus for the long term is on growing a market position in the processing of payments for services other than personal transport. The first step in this journey was the agreement with Secure Parking to deliver an end-to-end software solution encompassing payments, networking, security and switching to process electronic payment and credit card transactions in Secure's car parks throughout Australia.

EXECUTIVE TEAM

We are pleased to welcome two important additions to the Senior Leadership Team. Sheila Lines was appointed Chief Financial Officer on 13 July. Sheila's background in senior finance roles in technology and financial service industries internationally and in the Australian payments industry makes her a valuable member of the team especially during the next phase of growth and development for Cabcharge.

We also recognise former Chief Financial Officer Chip Beng Yeoh whom we thank for his professionalism and outstanding contribution to this Company over the past seven years.

Adrian Lucchese was appointed to the position of General Counsel and Company Secretary in October 2014 to further strengthen our Governance credentials. Adrian has broad senior management experience across a number of highly regulated industries and brings a depth of governance, commercial, compliance and legal expertise to our leadership team.

OUTLOOK

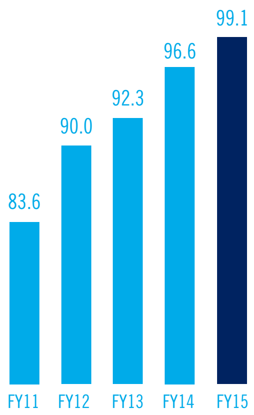
The 2016 financial year will reflect the full year impact on taxi service fee income from the laws introduced in New South Wales and Western Australia. To help offset this impact, our operating strategies are directed at continuing to drive increases in total fares processed through our payment services.

We are meeting the challenges of the competitive industries in which we operate and remain focused on upholding our position as the leading provider of taxi related services, leveraging the quality of our service offerings, our experience and our passion for the taxi industry and its stakeholders.

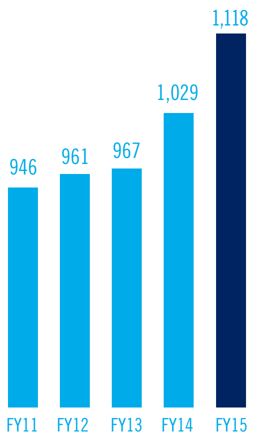
We intend to build on our initial successful venture outside of our traditional business through the agreement with Secure Parking into other opportunities involving our payments, networking, security and switching technology expertise.

Together our people and projects are transforming Cabcharge into an agile business, primed for a new chapter of growth and expansion in payments and transport technology. We are excited by the road ahead and hope that you join us on our journey.

MEMBERS TAXI RELATED SERVICES REVENUE ($m)



TOTAL TAXI FARES PROCESSED (excl. service fee) ($m)



1. EBITDA before profit from Associates is earnings, excluding share of Associates' profit and before net finance costs, tax, depreciation and amortisation.
2. EBIT is earnings excluding share of profit from Associates and before net finance costs and tax.
3. Ungeared return on investment in Australian taxi related services is defined as NPAT excluding share of Associates' profit, impairment charge on Associates and interest expense divided by net assets excluding bank loan and investments in Associates. The ungeared return on investments in Associates (excluding impairment) was 5.9% in FY15.

TRANSFORMATION STRATEGY

Capitalise on Cabcharge's skills, capability and technical expertise to deliver on service priorities to exceed customer expectations and develop new business opportunities.

1. Payments

INSIDE VEHICLE (WITH A TERMINAL)

Maximise in-vehicle processing of payments for personal transport

- Strengthen relationship with network merchants.
- Enhance products and introduce new products.
- Refocus on hire car terminals.

OUTSIDE VEHICLE (NO TERMINAL REQUIRED)

Initiate and grow a market position in non-vehicle processing of payments for personal transport such as smartphones

- Implement app payments for bookings.
- Implement app payments for rank and hail.
- Process payments in contact centres.

2. Networks

INCREASE FLEET SIZE

Increase share of network affiliation market

- Strengthen ability to deliver services to passengers and drivers.
- Enhance benefits of scale in cost management.
- Enhance other revenue opportunities.

ESTABLISH UNIFORM NATIONAL OPERATING PLAN FOR OUR NETWORKS

Develop and implement standardised best practice model

- Raise, enhance and ensure consistency of service for communities in which we operate.
- Optimise cost management and capture synergies.
- Implement operational improvements at the national level.

3. New Business

NON-TAXI PAYMENTS

Grow market position in the processing of payments for services other than personal transport (e.g. Secure Parking).

LAUNCH SERVICES TO THIRD PARTIES IN TAXI INDUSTRY

- Deliver benefits of Cabcharge's resources and capability across more of the taxi industry.
- Strengthen bureau (outsourced contact centre) and other product offerings to external taxi networks.

Larger
taxi fleet

New revenue
opportunities

More
Cabcharge
accounts

Business beyond
taxi payments
and networks

Improved returns and performance metrics

OPERATING AND FINANCIAL REVIEW

BUSINESS OVERVIEW

Cabcharge operates taxi networks and provides an alternative payment system to cash for the Taxi Industry in Australia.

The Company provides taxi network services to taxi operators and drivers in Sydney, Melbourne, Adelaide and Newcastle. Network services include taxi booking services, full taxi fitouts and repairs, as well as driver training and education. Payment services offer taxi passengers a convenient, fast and secure method for cashless fare payments via electronic terminals for which Cabcharge earns a service fee.

The Company also holds a 49% investment in a route, school and charter bus services company in Australia, ComfortDelGro Cabcharge (CDC), as well as a 49% investment in CityFleet Networks (CFN), a provider of account, booking and dispatch services for taxis and private hire vehicles, as well as coach services in the UK. Both investments are equity accounted as Associates in the Consolidated Financial Statements.

STRATEGY

Under the leadership of CEO Andrew Skelton who was appointed in June 2014, the Company has articulated a new Transformation strategy for FY16 onwards.

The FY15 strategic imperatives set by Mr Skelton soon after his appointment are substantially complete and set the foundations for future development and growth of the Company under the new strategy.

Specifically, the FY15 strategic focus encompassed five key imperatives:

- Integrating networks
- Committing to a key brand
- Linking bookings and payments
- Supporting our merchant partners
- Looking after our customers

We successfully delivered on these strategic imperatives in FY15. In particular, as the achievements in the table (on the next page) reveal we have implemented significant initiatives in all key areas of the business to create solid foundations for successful development and growth of the business over the medium term.

Integrating our networks creates a stronger base business, while consolidating our network brands creates consistency and prepares for upcoming technology advances that will further reinforce and boost those key brands. Linking bookings and payments is the key to launching a step change in service improvements and developing technological innovations to meet passenger needs.

Supporting our merchant partners is focused on achieving market share gains in the electronic processing of taxi fares by delivering improved services to the taxi networks that support our payment terminals. An 8.6% increase in total taxi fares processed demonstrates our success in this area in FY15. Looking after our customers is focused on retaining and growing our Cabcharge account base and is a cornerstone of our corporate growth prospects.

FY15 STRATEGIC ACHIEVEMENTS

Strategic Imperative	FY15 Achievements
Integrating networks	• Implemented national management structure with new executive team. • Standardised taxi booking input software. • Progressed standardisation of dispatch processes. • Standardised smartphone apps. • Selected new phone system for roll-out in 2015.
Committing to a key brand	• Selected and consolidated two core network brands in Sydney (Silver Service and Taxis Combined). • Relaunched 13CABS taxi network brand in Adelaide. • Consolidated branding between Melbourne and Adelaide as 13CABS. • Prepared national app brand for launch.
Linking bookings and payments	• Built and tested app for rank and hail payments. • Designed and processed in-app payments for pilot program at Bellarine Taxis. • Built and delivered in-app payments functionality to third party dispatch services providers for testing with their customers. • Payment functionality to be released for network apps (for example 13CABS) in 2015.
Supporting our merchant partners	• Introduced dedicated merchant support team. • Entered new merchant agreements with networks affected by electronic payments price cap. • Rolled out new streamlined customer friendly application process for merchant partners. • Implemented customer relationship management system for merchant partners. • Introduced daily payments of transactions for taxi networks. • Designed and implemented a new area on our website dedicated to supporting our merchants or merchant partners.
Looking after our customers	• Implemented national call answer standards to networks. • Restructured the Combined Communications Network (CCN) contact centre, enhancing both customer service and experience. • Reconfigured driver services team at CCN. • Introduced transport solutions staff in Adelaide and Sydney. • Upgraded recruitment and training processes and increased number of customer service roles.

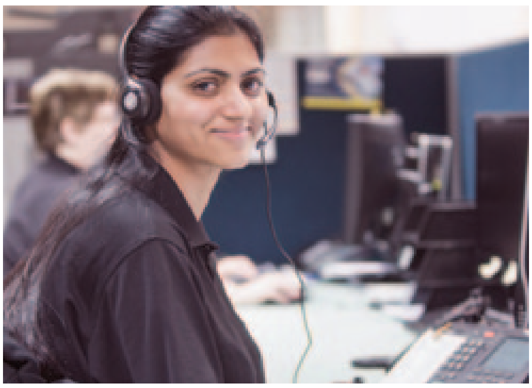
OPERATING AND FINANCIAL REVIEW

MATERIAL BUSINESS RISKS

The Board reviews material business risks on a regular basis. The material business risks that have the potential to impact the Company's future financial prospects and strategic imperatives are set out below, together with mitigating actions to minimise those risks.

The risks outlined below are in no particular order and do not include common risks that affect all companies, such as key person risk. Nor do they include general economic risks such as significant changes in economic growth, inflation, interest rates, consumer sentiment and business confidence that could have a material impact on the future performance of the Company.

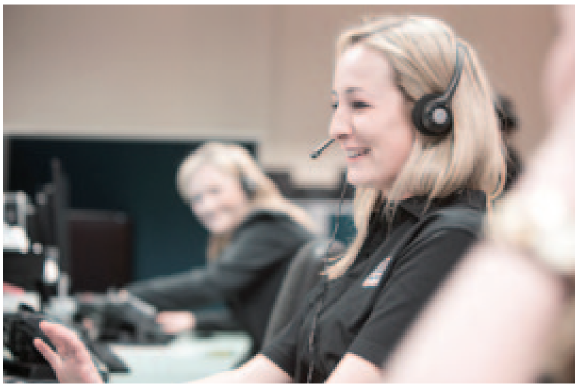
Strategic Risk	Nature of Risk	Actions / plans to mitigate
Regulatory changes	Cabcharge operates in industries that are subject to State and Territory regulation and control. In addition to the price control imposed on service fees in Victoria, New South Wales and Western Australia, other taxi regulators may impose limits on the level of service fees able to be charged to Cabcharge customers thereby potentially impacting revenue and earnings. Taxi regulators may also change rules around required standards and quality control aspects of taxi networks. Taxi regulators may also change terms and conditions regarding taxi licences.	Work co-operatively with State and Territory Authorities on issues affecting the Taxi Industry. Advocate for standards and controls (and price setting where applicable) that result in maintaining or improving the standards of customer service and safety that are essential to transport user confidence.
Changes to competitive landscape / Changes to IT environment	Continued emergence of new competitors in taxi-type service space utilising new technology to offer alternative service and payment methods, both within and outside the regulatory framework, or subject to watered-down regulation. Potential loss of business if the Company fails to keep pace with technological change with respect to network operations, bookings and payments.	Continue to be at the forefront of taxi network app development and integrate bookings and payments. Continue investment in technology as reflected by Cabcharge payments gateway and switch, FAREWAYplus and upgrades to the 13CABS, mTAXI and Silver Service taxi apps.



RESULT OVERVIEW

	FY15 $m	FY14 $m	Change over PCP
Revenue	**188.0**	**197.3**	**- 4.7%**
Expenses	(112.1)	(113.8)	-1.4%
Impairment charge on CityFleet	(10.3)	(9.7)	
EBITDA	**65.6**	**73.8**	**-11.1%**
Depreciation & Amortisation	(13.4)	(12.6)	
EBIT	**52.2**	**61.2**	**-14.7%**
Net interest	(5.6)	(6.3)	
Profit before tax	**46.6**	**54.9**	
Income tax	(16.7)	(19.4)	
NPAT (excl. associates)	**29.9**	**35.5**	**-15.8%**
Equity accounted net profit of associates	16.7	20.6	-19.2%
NPAT	**46.5**	**56.1**	**-17.1%**
EBITDA margin	**34.9%**	37.4%	
EBIT margin	**27.7%**	31.0%	
Effective tax rate (%)[1]	**35.9%**	35.4%	

1 Higher effective tax rate due mainly to non-deductibility of impairment charge on CityFleet.



OPERATING AND FINANCIAL REVIEW

NET REDUCTION IN FINANCE COSTS IN FY15

11.1%

REVENUE AND TURNOVER – TAXI RELATED SERVICES

Revenue declined by $9.3 million or 4.7% to $188.0 million (FY14: $197.3 million). The revenue decline was primarily due to the impact of laws introduced in Victoria (1 February 2014), New South Wales (12 December 2014) and Western Australia (24 February 2015) to limit service fees on non-cash taxi payments to 5%.

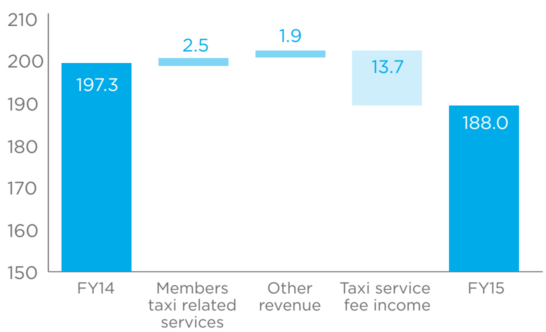
Aside from the impact of the limit on service fees, the Company delivered a solid operating revenue performance across all revenue lines.

Taxi related services revenue grew by 2.6% to $99.1 million (FY14: $96.6 million) as more taxis chose to affiliate with our taxi networks in Melbourne and Sydney. The Cabcharge taxi network affiliated fleet increased by 533 to 7,259 cars, driven by a strong performance in Victoria, which increased by 461 cars (including 89 bureau) as more operators and drivers sought network affiliation under the recently deregulated system and smaller independent networks recognised the advantages of using our bureau network services.

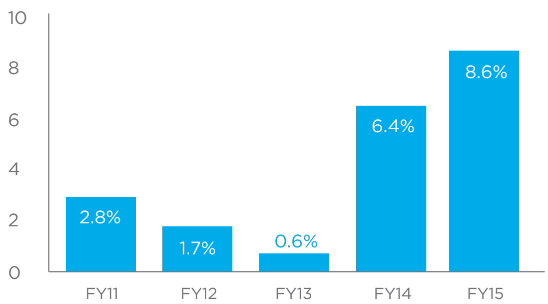
Taxi fares processed increased by $89 million or 8.6% in FY15 to $1,118 million (FY14: $1,029 million). The net effect of growth in taxi fares processed and the decline in the effective service fee rate to 6.8% (FY14: 8.5%) due to the implementation of laws that limit service fees on taxi payments resulted in a 15.3% decrease in taxi service fee income to $75.9 million (FY14: $89.5 million).

The Company has successfully fulfilled one of its key strategic imperatives of arresting the decline in taxi fares processed via Cabcharge Accounts. As the accompanying graph on the next page shows, we have progressively reduced the decline in fares processed using Cabcharge Accounts to 0.4% in the latest half year and 0.8% over the FY15 year.

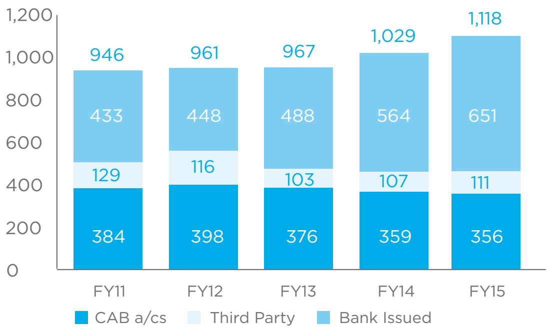
REVENUE TWELVE MONTH MOVEMENT ($m)



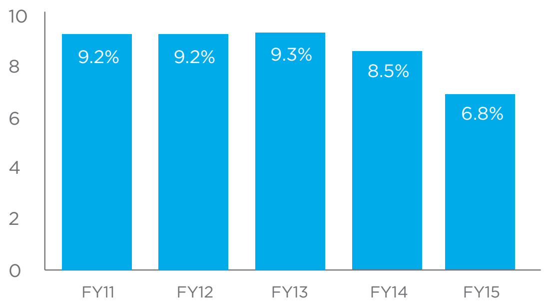
GROWTH IN TOTAL TAXI FARES PROCESSED

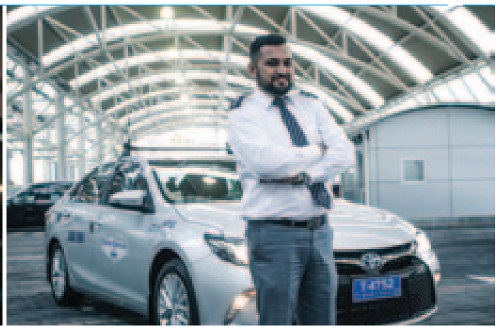


TOTAL TAXI FARES PROCESSED ($m)



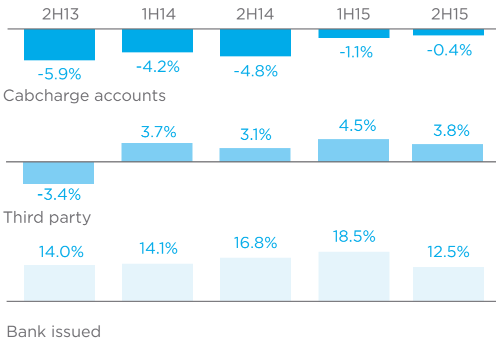
EFFECTIVE SERVICE FEE RATE





Our aim is to re-establish growth in Cabcharge account usage and we have increased our Cabcharge customer service team accordingly. Taxi fares processed through bank issued cards continued to grow strongly, up 15.4% to $651 million in FY15. Taxi fares processed through third party issued cards maintained its consistent growth, up 3.7% to $111 million in FY15.

TAXI FARE PROCESSED GROWTH BY CATEGORY (%PCP)



EXPENSES

Total operating expenses excluding impairment charges on investments in Associates decreased $0.8 million or 0.7% to $125.6 million (FY14: $126.4 million), while cash operating expenses[1] were reduced by 1.4% to $112.1 million (FY14: $113.8 million).

This was a robust achievement given the activity undertaken by the Company in pursuit of its strategic objectives of increasing its taxi fleet size, establishing a national operating model for our taxi networks, developing applications that link bookings and payments, arresting previous declines in transaction volumes through Cabcharge accounts and the deployment of the new payments switch and in-vehicle technology to support its payments strategy.

In addition, these results were achieved after taking into account the cost of redundancies and commencement of new hires supporting the implementation of our new organisational structure and establishing a corporate culture that is designed to be more agile and proactive to enable the Company to successfully meet the new strategic corporate objectives for FY16 and beyond.

Previously announced initiatives with estimated $7 million annualised savings were implemented during the year, the FY15 impact of these initiatives was $4.5 million.

Processing fees paid to taxi networks fell 22.5% to $14.5 million (FY14: $18.7 million) after the Company renegotiated rates with taxi networks following the introduction of the 5% service fee limit on taxi payments.

General and administration expenses increased by 11.0% to $14.0 million (FY14: $12.7 million) primarily due to increases in technical resources employed to develop and support payments products. Operating costs to support the growth in bus revenue in South Australia and increased marketing and sponsorship also contributed to the increase.

Transaction processing expenses increased 21% to $4.6 million (FY14: $3.8 million) due to the increased use of the Cabcharge contactless eTICKET, while depreciation and amortisation expense increased 6.3% to $13.4 million (FY14: $12.6 million) due to the test phase deployment of FAREWAYplus taxi meters.

Net finance costs declined $0.7 million to $5.6 million (FY14: $6.3 million), reflecting lower interest cost from the Group's lower debt.

The Group's 35.9% effective tax rate (FY14: 35.4%) is higher than the 30% statutory tax rate primarily due to the effect of adding back the Group's share of Associates profit and the non-deductibility of impairment charges against investments in Associates for tax purposes. The marginally higher effective tax rate in FY15 reflects the lower share of Associates profit recorded compared to FY14.

OPERATING MARGINS

EBITDA[2] and EBIT[2] margins declined in FY15, reflecting the decline in earnings from the imposition of the limit on service fees in New South Wales and Western Australia in FY15 and in Victoria in FY14.

The EBITDA margin declined 2.5 percentage points to 34.9% in FY15 compared to 37.4% in FY14. The EBIT margin was 3.3 percentage points lower at 27.7% in FY15 compared to 31.0% in the prior year.

In addition to robust margins, Cabcharge continues to earn strong returns on its Australian taxi related services, with its ungeared return standing at 20.4% in FY15 (FY14: 22%)[3].

1. Cash operating expenses exclude the impairment charge on investments in Associates and depreciation and amortisation expenses.
2. Calculations shown in Results Overview table page 15.
3. Calculations shown in Balance Sheet table page 19.

OPERATING AND FINANCIAL REVIEW

INVESTMENT IN ASSOCIATE COMFORTDELGRO CABCHARGE

	FY15 $m	FY14 $m	Change over PCP
Revenue	**345.6**	**356.9**	**-3.2%**
Expenses	(290.6)	(288.6)	0.7%
EBIT	**55.0**	**68.3**	**-19.5%**
Net interest	(11.5)	(14.0)	-17.9%
Profit before tax	**43.5**	**54.3**	**-19.9%**
Income tax	(12.5)	(15.7)	-20.4%
NPAT	**31.0**	**38.6**	**-19.7%**
49% share	**15.2**	**18.9**	**-19.6%**

Cabcharge holds a 49% investment in ComfortDelGro Cabcharge (CDC), Australia's largest private bus operator. CDC provides route and school bus services in Sydney, the Hunter Valley, Queanbeyan and the Blue Mountains in New South Wales, and in Melbourne, Geelong and Ballarat in Victoria.

Cabcharge also holds a 49% interest in CFN in the UK, which provides account, booking and dispatch services for taxis and private hire vehicles in London, Birmingham, Liverpool, Edinburgh and Aberdeen, and coach services in London.

Both investments in these Associates are equity accounted in the Consolidated Financial Statements. The Group's share of the combined profit of these Associates decreased 19.3% to $16.7 million in FY15 (FY14: $20.7 million).

CDC's equity accounted net profit contribution for FY15 was $3.7 million or 19.6% lower at $15.2 million (FY14: $18.9 million). This is due to costs incurred in the transition into the new Sydney region 4 contract as well as loss of regions 1 and 3 in October 2013, partly offset by the contributions of Blue Mountains Bus Company and an increase in route services. In Victoria, CDC's net profit contribution remained consistent.

The Melbourne Metropolitan seven-year contracts expired on 30 June 2015 and were extended by a three-year period.

CFN's equity accounted net profit contribution decreased $0.3 million or 17.6% to $1.4 million (FY14: $1.7 million) due to the impact of the downturn in the oil and gas industry on profits from the Aberdeen taxi services, and continuing competitive pressures on taxi services in London affecting margin and revenue. Aberdeen operations are a material contributor to CFN profit and cash flow.

IMPAIRMENT CHARGES

A $10.3 million impairment charge was recognised against the carrying value of the Group's investment in its UK associate CFN in FY15 (FY14: $9.7 million). This impairment charge reflects the decline in CFN's operating performance and an increase in the discount rate applied to the expected future cash flows from CFN.

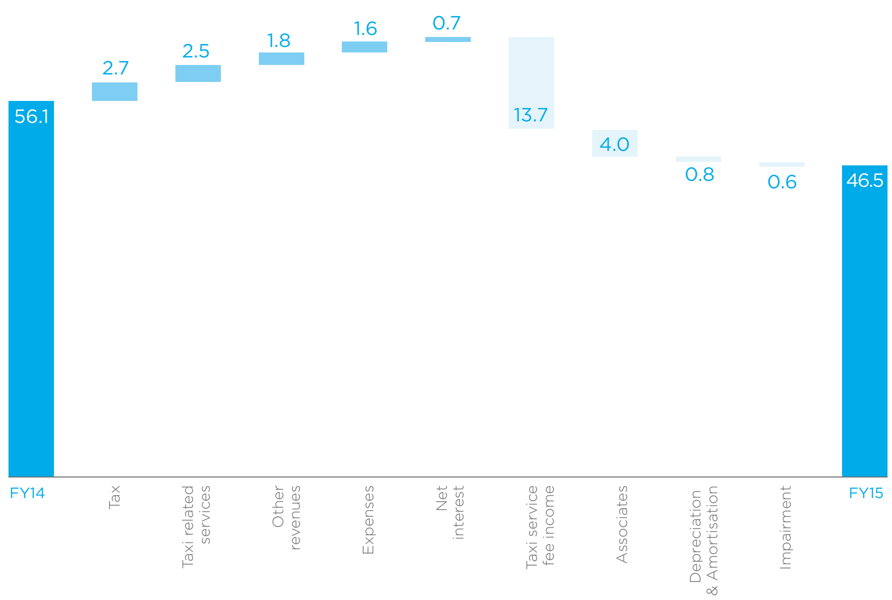
The higher discount rate reflects an increase in the expected market premium for UK equities over the risk free rate. The pre-tax discount rate used at 30 June 2015 was 9.1% (2014: 7.3%). The carrying value of the associate interest in CFN after the impairment charge is $47 million, representing $12 million of surplus cash held by CFN and an enterprise value of $35 million.

NET PROFIT

The major components of the Company's change in net profit after tax in 2015 can be seen in the accompanying graph. The largest contributors to the 17.1% or $9.6 million decrease in net profit after tax from $56.1 million in FY14 to $46.5 million in FY15 were lower taxi service fee income due to the introduction of laws in Victoria, New South Wales and Western Australia to limit service fees on non-cash taxi payments, and the lower equity accounted contribution of Associates. These were partly offset by higher taxi related service income, lower expenses and lower tax.

Basic and diluted earnings per share were 38.7 cents (2014: 46.6 cents).

TWELVE MONTH MOVEMENT NET PROFIT AFTER TAX ($m)



BALANCE SHEET

	FY15 $m	FY14 $m
Cash and cash equivalents	23.8	41.9
Other current assets	76.9	71.1
Investments in associates	284.3	274.8
Property, plant and equipment	39.0	38.3
Taxi plate licences	70.9	71.4
Other non-current assets	61.9	62.8
Total assets	**556.8**	**560.3**
Loans and borrowings	128.2	159.1
Other liabilities	35.6	34.9
Total liabilities	**163.8**	**194.0**
Total net assets	**393.0**	**366.3**
Net Debt/Equity	26.6%	32.0%
Ungeared return on Australian taxi related services[1]	20.4%	22.0%
Ungeared return on investments in associates (excl. impairment)	5.9%	7.5%

$$^{1}\ \frac{\text{NPAT excluding associates' profit, impairment, interest expense}}{\text{Net assets excluding bank loan and investments in associates}}$$

The Company's net assets as at 30 June 2015 increased to $393.0 million from $366.3 million the prior year This was due to the current year's net profit after tax less $24.1 million in dividends paid during the year, $3.1 million increase in share of Associates' foreign currency translation differences, and a $1.3 million increase in the fair value of available-for-sale financial assets, net of tax.

Management continued to focus on debt reduction during the year. Total borrowings at 30 June 2015 stood at $128.2 million, $30.9 million lower than at 30 June 2014 ($159.1 million). The net debt to equity ratio was 26.6% at 30 June 2015 (2014: 32%).

Available liquidity as at 30 June 2015 was $100.9 million (2014: $92.9 million), consisting of $23.9 million in cash (2014: $41.9 million) and $77 million (2014: $51 million) in unused debt facilities.

Management has maintained its prudent approach to leverage while ensuring that the Company invests in the competitive position of its products and therefore shareholder value.

OPERATING AND FINANCIAL REVIEW

CASH FLOW

Operating cash flow for FY15 was $50 million, compared to $57.8 million for FY14. Free cash flow after investment in property, plant and equipment and development of intellectual property was $37.0 million for the year. Free cash flow was used to pay $24.1 million in dividends and to reduce net debt by $12.9 million.

	FY15 $m	FY14 $m
EBITDA (excluding profit from Associates)	**65.6**	**73.8**
Income tax expense	(16.7)	(19.4)
Working capital movement[1]	(3.2)	(0.6)
Net finance costs	(5.6)	(6.3)
Dividend received from CityFleet Networks Ltd	–	0.8
Impairment charge on investment in Associates	10.3	9.7
Other	(0.4)	(0.2)
Net cash provided by operating activities	**50.0**	**57.8**
Capital expenditure and taxi licence plates	(13.7)	(7.2)
Proceeds from sale of property, plant and equipment	0.5	0.2
Proceeds from sale of investments	0.3	–
Net repayment from Associates	–	18.0
Free Cash Flow	**37.0**	**68.8**
Free Cash Flow used for:		
– Net debt reduction	(12.9)	(36.3)
– Dividends payment	(24.1)	(32.5)
Cash Conversion[2]	**83%**	**80%**

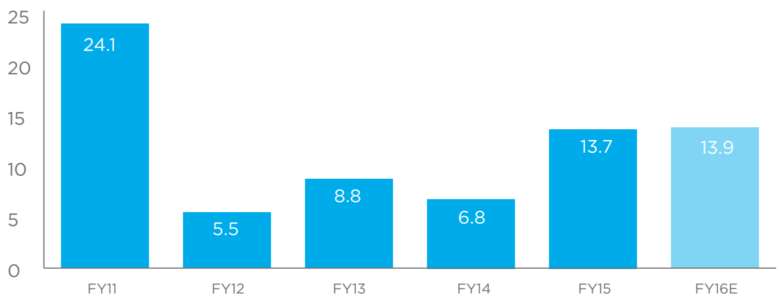
1 The change from quarterly to monthly income tax instalment has reduced the balance of current tax liabilities by $4.9M and hence, increased the working capital requirement.

2 Cash Conversion is 'Ungeared pre-tax operating cash flow/EBITDA including profit from Associates.'

CAPITAL EXPENDITURE

Investments in property, plant and equipment and development of intellectual property were $13.7 million in the year (FY14 $6.8 million) reflecting the rollout of FAREWAYplus and investment in a new payments switch which enhances existing products and provides the flexibility to develop new future payments products.

CAPITAL EXPENDITURE ($m)



DIVIDENDS

The Board has declared a fully franked final dividend of 10 cents per share for FY15, with a record date of 30 September 2015 and a payment date of 29 October 2015. This brings the full year dividend for FY15 to 20 cents per share fully franked, compared to 25 cents in FY14.

MAJOR OPERATIONAL DEVELOPMENTS

In April this year Cabcharge announced that it had entered an agreement with Secure Parking Pty Ltd to provide a turnkey software solution for the processing of electronic payment and credit card transactions in Secure's car parks throughout Australia.

The arrangement with Secure Parking builds on our experience in delivering payment terminal code to major banks such as NAB and Westpac as well as to large scale retailers such as Woolworths by delivering an end to end software solution encompassing payments, networking, security and switching.

Secure Parking is Cabcharge's first electronic payments client outside the taxi and transport payments industry. The software solution Cabcharge is delivering demonstrates just one of the opportunities available to the Company using its payments technology knowledge and expertise. It also means that the operational horizons of our company are expanding.

While the agreement with Secure Parking will not have a material impact on the revenue of the Company, it provides evidence of our ability to apply payments technology beyond our traditional areas of focus.

OUTLOOK

The industries in which we operate have always been competitive. Our businesses have withstood the tests of increased competition and achieved strong results, trading profitably throughout FY15. Revenues from members' taxi related services grew 2.6% in FY15 reflecting the continuing value taxi operators see from affiliation with our taxi networks. The volume of taxi fare payments processed grew 8.6% in FY15.

FY16 will reflect the full year impact on taxi service fee income from the laws introduced in New South Wales and Western Australia to impose a 5% limit on the service fee for taxi payments. Our strategies are directed at continuing to increase the volume of fares processed through our services.

We will continue meeting the challenges of increased competition and are confident that we will maintain our position as a leading provider of taxi related services due to the quality of our service offerings and our experience. Where opportunity arises, we will seek to offer the services we develop to other taxi networks to support their continued development and success.

We also aim to build on our initial successful venture outside of our traditional business through the agreement with Secure Parking into other opportunities involving our payments, networking, security and switching technology expertise.

We are reaching the end of our trials of the FAREWAYplus product which will replace the existing Cabcharge payment engines. FAREWAYplus provides us with a platform to offer a broader range of taxi related services to interested taxi networks and operators.

Our technical competence in payments and our deep understanding and engagement with the needs of the taxi industry and its customers will enable us to continue operating profitably into the future, and in doing so we will generate cash flow to invest in product development, ensure prudent capital management and return dividends to our shareholders.

THE VOLUME GROWTH OF TAXI FARE PAYMENTS PROCESSED IN FY15

8.6%

BOARD OF DIRECTORS

RUSSELL BALDING, AO

Chairman,
Member of the Board since 6 July 2011

Special responsibilities – Member of the Audit & Risk Committee & Corporate Governance Committee

Russell Balding was appointed Chairman of the Board in May 2014. Mr Balding is also the Deputy Chairman of Destination NSW, a director of ComfortDelgro Cabcharge Pty Ltd., CityFleet Networks Ltd (UK), The Trust Company (Sydney Airport) Limited and a Board Member of Racing NSW. Mr Balding previously chaired the Visitor Economy Taskforce, established by the NSW Government to develop a tourism and events strategy to double overnight visitor expenditure to NSW by 2020.

Previously, Mr Balding has also served on the Boards of NSW Business Chamber Limited, ThoroughVision Pty Ltd (TVN), Tourism NSW and the Transport and Tourism Advisory Board. He was CEO of Sydney Airport Corporation Limited from 2006 to 2011, Managing Director of the Australian Broadcasting Corporation (ABC) from 2002 to 2006 and prior to that ABC's Director of Funding, Finance and Support Services. Mr Balding was also the Director of Finance of the NSW Roads and Traffic Authority. He is a past State President and currently a Fellow of CPA Australia, and a member of the Australian Institute of Company Directors.

Directorships of other listed public companies held at any time during the three years to 30 June 2015 – The Trust Company (Sydney Airport) Limited in its capacity as responsible entity of the Sydney Airport Trust 1.

NEILL FORD

Deputy Chairman,
Member of the Board since 21 March 1996

Special responsibilities – Chairman of the Corporate Governance Committee, Member of the Marketing Committee

Neill Ford was appointed Deputy Chairman of the Board in June 2014. Mr Ford is the Managing Director of Yellow Cabs (Qld) Pty Limited, a company operating a fleet of 1,200 taxis and Courier vans and has in excess of 40 years' experience in taxi company management. As Chairman of Taxis Australia Pty Limited, Mr Ford represents 10,000 taxis across Australia. Mr Ford is currently a director of ComfortDelGro Cabcharge Pty Ltd. and City of Brisbane Investment Corporation. Mr Ford is a Fellow of the Australian Institute of Company Directors and the Australian Institute of Management.

Directorships of other listed public companies held at any time during the three years to 30 June 2015 – nil.

ANDREW SKELTON

Chief Executive Officer and Managing Director,
Member of the Board since 10 December 2014

Andrew Skelton commenced as Chief Executive Officer in June 2014 and was appointed Managing Director in December 2014. Prior to this, Andrew was the Group Corporate Counsel and Company Secretary from December 2011 and Chief Operating Officer of Black Cabs Combined from 2005 to 2011. Before joining the Group in 2000, Andrew was a mergers and acquisitions lawyer at K&L Gates in Melbourne. Andrew holds an MBA, Bachelor of Law, Bachelor of Commerce and a Graduate Diploma of Applied Corporate Governance.

Directorships of other listed public companies held at any time during the three years to 30 June 2015 – nil.

DONNALD McMICHAEL

Non-Executive Director,
Member of the Board since 25 June 1996

Special responsibilities – Chairman of the Marketing Committee, Member of the Corporate Governance Committee and Audit & Risk Committee

Donnald McMichael is CEO of Noah's Ark Foundation and was the former Chairman of Aerial Taxi Co-Op Society Limited, and former director of Yellow Cabs (Canberra) Pty Ltd and the Fundraising Institute of Australia (ACT). Mr McMichael is a member of the Australian Institute of Management and Australian Society of Association Executives, and an Associate of the Australian Institute of Company Directors.

Directorships of other listed public companies held at any time during the three years to 30 June 2015 – nil.

RICHARD MILLEN

Non-Executive Director, Member of the Board since 4 June 2014

Special responsibilities – Chairman of the Audit & Risk Committee

Richard Millen has extensive experience in transactions, corporate finance and accounting. Mr Millen spent over 30 years with PricewaterhouseCoopers and led its first Corporate Finance practice and subsequently the broader Advisory practice of the firm. Mr Millen has a strong background in corporate responsibility, having led PricewaterhouseCoopers' internal Corporate Responsibility agenda in Australia from 2005 to 2011, and globally from 2007 to 2010. Mr Millen is also a Director of Australia for UNHCR and a director of Youth Off the Streets. Mr Millen holds a MA Hons Jurisprudence (Law) from Oxford University and is a member of the Institute of Chartered Accountants in Australia and New Zealand.

Directorships of other listed public companies held at any time during the three years to 30 June 2015 – nil.

STEPHEN STANLEY

Non-Executive Director, Member of the Board since 21 August 2015

Stephen Stanley was Director of Strategy, Corporate Development / Mergers and Acquisitions at Toll Holdings for 13 years. When Stephen joined Toll it was a small trucking company but in the years under his direction, it acquired and integrated more than 100 businesses, transforming Toll from a successful domestic transport operator to a leading global logistics player.

Prior to this, in 1988 Stephen took a role with Mayne Group where he started as National Administration Manager for Online Distribution Services, before being promoted to General Manager in 1994 and CEO of that division in 1996.

Stephen has a Bachelor of Business in Accounting from RMIT University and is a graduate of the Australian Institute of Company Directors.

Directorships of other listed public companies held at any time during the three years to 30 June 2015 – nil.

TRUDY VONHOFF

Non-Executive Director, Member of the Board since 21 August 2015

Trudy Vonhoff is currently a director of Ruralco Holdings Limited, AMP Bank Limited and Tennis NSW Limited and she is a member of the 3 organisations' Audit & Risk Committees. Trudy also chairs the Nomination and Remuneration Committee at Ruralco Holdings, the Audit Committee for AMP Bank, and the Audit and Risk Committee at Tennis NSW. She has held senior executive positions with Westpac and AMP. Her roles at Westpac included leading the Commercial Banking and Agribusiness unit nationally, Regional & Agribusiness Banking and prior to that, led the Bank's Operations function.

Trudy has a Bachelor in Business from QUT, a Master of Business Administration from UTS, and is a graduate of the Australian Institute of Company Directors.

Directorships of other listed public companies held at any time during the three years to 30 June 2015 – Ruralco Holdings Limited.

EXECUTIVE TEAM

ANDREW SKELTON

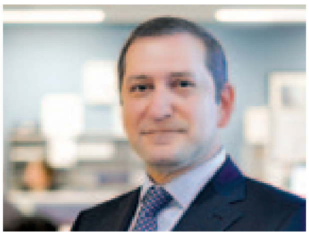
Chief Executive Officer and Managing Director

Andrew Skelton commenced as Chief Executive Officer in June 2014 and was appointed Managing Director in December 2014. Prior to this, Andrew was the Group Corporate Counsel and Company Secretary from December 2011 and Chief Operating Officer of Black Cabs Combined from 2005 to 2011. Before joining the Group in 2000, Andrew was a mergers and acquisitions lawyer at K&L Gates in Melbourne. Andrew holds an MBA, Bachelor of Law, Bachelor of Commerce and a Graduate Diploma of Applied Corporate Governance.

SHEILA LINES

Chief Financial Officer

Sheila Lines commenced as Chief Financial Officer on 13 July 2015. Sheila joined Cabcharge from BPay where she was the Chief Financial Officer since 2013. Prior to BPay, Sheila was the Chief Financial Officer and then Chief Executive Officer of KeyTech Limited based in Bermuda. Sheila has held several senior financial roles and has been an Independent Non-Executive Director of Butterfield Bank where she served as the Chair of the Audit Committee and Chair of the IT Committee. Sheila has a Bachelor of Laws from the University of London, is a Fellow of the Institute of Chartered Accountants in England and Wales and is a member of the Institute of Chartered Accountants in Australia and New Zealand.



ADRIAN LUCCHESE

General Counsel and Company Secretary

Adrian Lucchese commenced at Cabcharge on 20 October 2014. Adrian began his career with Blake Dawson Waldron (now Ashurst) in 1988 and has held a number of senior management roles including Group General Counsel and Company Secretary of George Weston Foods Limited where, amongst other things, he was responsible for many of the improvements to its competition compliance program. From August 2011 to October 2014, Adrian was Company Secretary of AMP Capital Holdings Limited where he contributed to many governance, structural and business improvement initiatives. Adrian holds Bachelor degrees in both Science and Laws from the University of Sydney and a Master of Laws from the University of Sydney.

JOHN D'ARCY

Head of Payments

John D'Arcy commenced as Head of Payments in November 2014. From May 2007 John was Group General Manager. Prior to that John worked for Ausdata-JBA an Australian systems integrator specialising in Banking, Retail and Hospitality products. John held a variety of positions at Ausdata-JBA from Developer through to Managing Director. John also holds a Diploma in Programming Technology.

STUART OVERELL

Chief Operating Officer, Taxi Services

Stuart Overell commenced as Chief Operating Officer, Taxi Services in November 2014. Prior to this Stuart was Chief Operating Officer for Black Cabs Combined from December 2011, Operations Manager from January 2010 and IT Manager from 2007. Before joining the Group, Stuart was IT Manager for the multi-national manufacturing company Feltex Carpets. Stuart is an Executive Councillor for the Victorian Taxi Association, holds a Bachelor of Computing (Business Systems) from Monash University and is a graduate of the Royal Military College Duntroon.

FRED LUKABYO

Chief Operating Officer

Fred Lukabyo commenced as Chief Operating Officer in November 2014. From 2002 Fred was Chief Operating Officer, Taxi Services. Prior to this, Fred was responsible for Customer Operations in Australia, New Zealand and Fiji at Tyco International. Fred had previously worked in the Deluxe Red and Yellow Cabs Group as Communications Centre Manager until 1999. Fred holds an Australian Graduate School of Management (AGSM) MBA awarded jointly from the University of New South Wales and University of Sydney, a Bachelor of Business from the University of Technology, Sydney and is a Tier One qualified Insurance Broker.

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

CORPORATE GOVERNANCE DEVELOPMENTS

- Following a succession planning process undertaken by the Corporate Governance Committee and the Board in FY15, Stephen Stanley and Trudy Vonhoff were appointed to the Board as independent non-executive directors on 21 August 2015. Their appointment broadens the skills, experience and diversity of the Board.
- Andrew Skelton, the Company's Chief Executive Officer, was appointed Managing Director on 10 December 2014. Mr Skelton's appointment enhances the stewardship of the Company and brings intimate operational knowledge and a compelling strategic vision to the Board.
- Deputy Chairman and Chairman of the Corporate Governance Committee, Neill Ford, will step down as a director of the Company at the 2015 Annual General Meeting. Mr Ford has served as a director for more than 19 years during which time he has advised the Board and overseen the growth and development of the Company in the taxi, transport and technology industries.
- During FY15, the Corporate Governance Committee oversaw the implementation of the Company's new remuneration program, including the introduction of a new short-term and long-term incentive plans, and the formalisation of the new senior executive employment arrangements.
- The Charters for the Board, Corporate Governance Committee and Audit & Risk Committee were reviewed to further align each of these documents with the relevant governance standards.

The Board of Cabcharge Australia Limited (**Cabcharge** or **Company**) is responsible for the corporate governance of the Company. The Board believes that robust corporate governance policies and practices, internal control systems and risk management frameworks will facilitate the responsible creation of long-term value for the Company's shareholders and help it to meet the expectations of other stakeholders.

The Board is committed to ensuring that the Company's policies and practice reflect a high standard of corporate governance and meet the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd edition (**ASX Principles**). Throughout FY15 the Company's corporate governance arrangements were consistent with the ASX Principles, except where explained below.

This Corporate Governance statement is current as at 28 September 2015 and has been approved by the Board of Cabcharge.

1. THE BOARD AND ITS ROLE

1.1 Responsibilities of the Board

The Board has overall responsibility for the proper management of Cabcharge and its related bodies corporate (the Group). Management is responsible for implementing the Company's strategy, achieving the business performance objectives and financial objectives. The diagram below sets out the respective roles and responsibilities of the Board, its Committees and the CEO.

The Company Secretary is responsible for the coordination of all Board business, including agendas, Board papers, minutes as well as communications with regulatory bodies, the ASX and all statutory and other filings.

All directors have access to the Company Secretary and the Company Secretary is accountable to the Board, through the Chairman, on all governance matters.

The Board reviews the Board and Committee Charters at least annually and more frequently if required. Charters of the Board, Audit and Risk Committee and Corporate Governance Committee can be found on the Company's website at www.cabcharge.com.au/corporategovernance.

CABCHARGE BOARD

The Board Charter sets out the Board's key responsibilities which include:

- oversight of the Company, including its control and accountability systems;
- appointing and removing the Chief Executive Officer;
- ratifying the appointment and the removal of the Chief Financial Officer;
- input into and final approval of management's development of corporate strategy and performance objectives;
- reviewing and ratifying systems of risk management and internal compliance and control, the Code of Ethics and Conduct and legal compliance;
- monitoring senior management's performance and implementation of strategy and ensuring appropriate resources are available; and
- approving and monitoring the progress of major capital expenditure, capital management and acquisition and divestitures.

Delegation and oversight →

← Accountability and reporting

CHIEF EXECUTIVE OFFICER

The CEO and his delegates (including members of the Executive Team) have responsibility for the day to day operations and management of the Company in accordance with approved delegated authority.

Delegation and oversight ↓

Recommendations and reporting ↑

AUDIT AND RISK COMMITTEE

CORPORATE GOVERNANCE COMMITTEE

MARKETING COMMITTEE

Board Committees are established by the Board and are responsible for specific areas. The various powers, duties and responsibilities of the Board may be delegated to the relevant Committee.

1.2 Composition of the Board

Throughout FY15, Board composition and director succession planning was a key focus of the Corporate Governance Committee. The Company's existing CEO, Andrew Skelton, was appointed to the Board as Managing Director and a robust search was conducted for two independent non-executive directors, Stephen Stanley and Trudy Vonhoff (who were appointed in August 2015).

The Board believes that the current composition of the Board represents a wealth of experience and skills that will allow the Board to continue operating effectively. The skills and diversity of the Board is discussed further at Section 1.3.

The directors in office at the date of this Corporate Governance Statement are as follows:

Director	Independent	Date of appointment	Term in office
Russell Balding, AO Chairman	✓	6 July 2011 Chairman from 12 May 2014	4 years
Neill Ford Deputy Chairman		21 March 1996 Deputy Chairman from 18 June 2014	19 years
Andrew Skelton Managing Director and CEO		10 December 2014	9 months
Donnald McMichael Non-Executive Director	✓	25 June 1996	19 years
Richard Millen Non-Executive Director	✓	4 June 2014	1 year
Stephen Stanley Non-Executive Director	✓	21 August 2015	1 month
Trudy Vonhoff Non-Executive Director	✓	21 August 2015	1 month

Details of the directors' experience, qualifications and committee memberships are set out on pages 22 and 23 of the Annual Report.

Retirement of Neill Ford

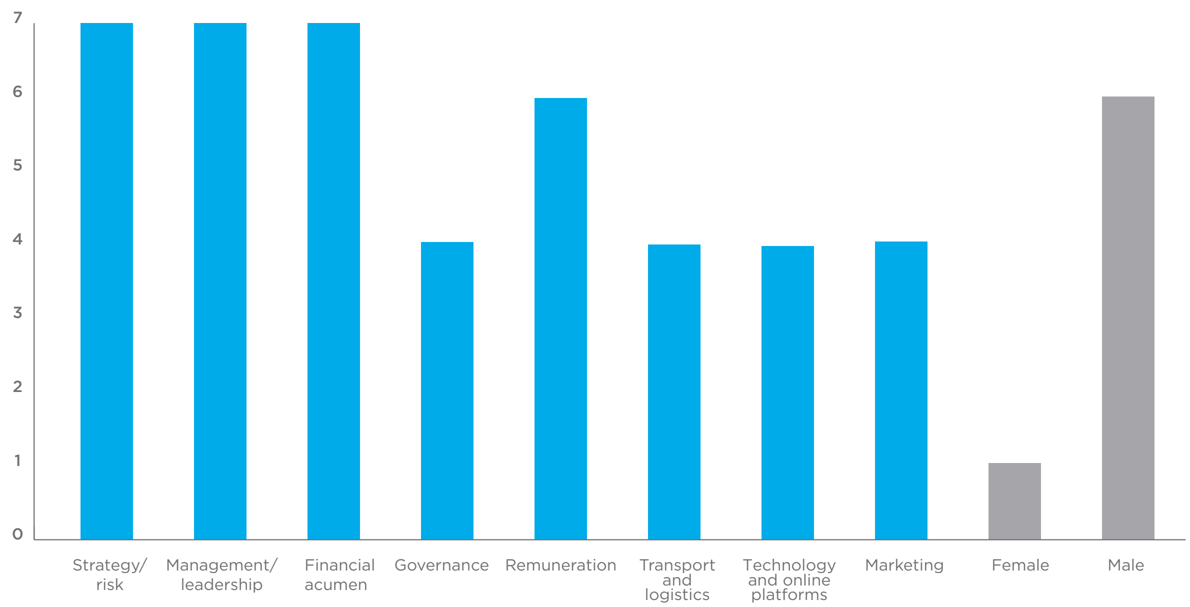
Deputy Chairman and Chairman of the Corporate Governance Committee, Neill Ford, will retire as a director at the Company's 2015 Annual General Meeting. Mr Ford has served as a director of Cabcharge for almost two decades and was a member of the Board when the Company was first admitted to the official list of the Australian Securities Exchange in 1999.

During Mr Ford's tenure, he has provided guidance and advice to the Board and management on the implementation of many major strategic initiatives. Most recently, Mr Ford has overseen the transformation of the Company's remuneration structure and corporate governance systems to better position the Company in the taxi, transport and technology sectors.

1.3 Skills and diversity of the Board

The Corporate Governance Committee has developed a skills and diversity matrix that sets out the mix of skills and diversity that the Board will ideally reflect. The Corporate Governance Committee uses the skills and diversity matrix to supplement the assessment and selection of new directors and also to identify any professional development opportunities for current directors.

The following diagram sets out the skills, experience and diversity of the directors in office as at the date of this Corporate Governance Statement.



CORPORATE GOVERNANCE STATEMENT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

1.4 Director independence and tenure

As at the date of this Corporate Governance Statement, the Board is comprised of a majority of independent directors.

Philip Franet sadly passed away in August 2014 and Ian Armstrong retired in October 2014. Mr Franet and Mr Armstrong were each independent non-executive directors. In addition, Non-Executive Director Rodney Gilmour, also retired in November 2014. Despite these changes majority of independent non-executive directors was maintained throughout the period.

The Board, through the Corporate Governance Committee, takes into account the following factors in determining whether a non-executive director is independent:

- if the director is a substantial shareholder of Cabcharge or an officer of, or otherwise associated directly with, a substantial shareholder of Cabcharge;
- if, within the last three years, the director has been employed in an executive capacity by the Company or another group member;
- if, within the last three years, the director has supplied to the Company any services as a principal of a material professional consultant;
- if, within the last three years, the director has been a principal of a material professional advisor or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- if the director is a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- if the director has a material contractual relationship with the Company or another group member other than as a director of Cabcharge; and
- if the director is free from any interest, and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of Cabcharge.

In determining independence, the Board takes into account all circumstances surrounding a relationship before determining if the materiality threshold has been reached. Generally, relationships that account for 10% or more of an entity's revenue over a 12 month period will be regarded as material.

The Board also considers the factors relevant to assessing the independence of a director set out in the ASX Principles. In particular, the Board acknowledges that during the reporting period, the Board comprised a number of long standing non-executive directors.

The Taxi Industry is a unique and very specialised industry and the Board considers that tenure should not of itself determine independence. Neill Ford, Donnald McMichael (and previously Ian Armstrong) have valuable commercial knowledge and/or experience within the Taxi and Transport Industries and as such, the Board considers that these directors were able to effectively carry out their responsibilities in accordance with the Board Charter. The Board does not regard the tenure of either director to affect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders.

1.5 Succession planning and director appointments

The Corporate Governance Committee is responsible for succession planning, and assisting the Board to identify potential director candidates, having regard to the necessary and desirable competencies of directors.

The overarching principle that applies in selecting director candidates is that new directors should possess the mix of skills, expertise and experiences necessary to ensure the continued effectiveness of the Board. In particular, the Corporate Governance Committee will keep gender diversity front of mind in developing future succession plans.

All director nominees are interviewed by the Corporate Governance Committee and detailed background checks are carried out prior to any Board appointments. New directors will be put forward to shareholders for election at the first Annual General Meeting following their Board appointment. The Company will provide shareholders with all material information in the Company's possession about director candidates that is relevant to that director's election and subsequent re-election.

1.6 Induction and training

Non-executive directors are given a letter of appointment setting out the terms of the appointment, time commitment envisaged and the roles and responsibilities and the Company's expectations.

On appointment, directors take part in an induction program that provides insight into the operation of the Company and its corporate governance practices and procedures. Directors take part in site visits and receive an induction package comprising the Company constitution, Board Charter, Committee Charters, Share Trading Policy and other relevant governance documentation. All new directors have the opportunity to meet with members of the Executive Team and to be formally briefed on corporate strategy.

Directors are also encouraged to undertake programs of continuing education to ensure that the directors continue to remain up to date on developments relating to law and governance practices, as well as with developments within the taxi and transport industries generally.

1.7 Access to information, independent advice and indemnification

Upon appointment, each director enters into a Deed of Access, Indemnity and Insurance with the Company to ensure access to documents, and insurance arrangements during and within a period following their retirement as director.

Procedures are also in place to ensure that each director has the right to seek independent professional advice at the Company's expense on matters pertaining to their role as director.

2. BOARD COMMITTEES

The Board has established several Committees to which it delegates specific responsibilities. The Board has in place an Audit and Risk Committee, a Corporate Governance Committee and a Marketing Committee. The Charters of the Audit and Risk Committee and Corporate Governance Committee are available on the Cabcharge website at www.cabcharge.com.au/corporategovernance.

The number of Committee meetings held during FY15 and each director's attendance at those meetings is set out on page 38 of this Annual Report.

2.1 Audit and Risk Committee

AUDIT AND RISK COMMITTEE

Roles and responsibility

The Committee is responsible for reviewing and making recommendations to the Board in relation to:

- the financial reporting process;
- the system of internal control;
- management of financial and business risks;
- the audit process;
- the Company's process for monitoring compliance with laws and regulations and the Code of Ethics and Conduct Policy; and
- overseeing the Company's risk management framework.

As soon as practicable after each meeting, the Chairman of the Committee (or a delegate) provides a report to the Board, which includes recommendations for any approvals required by the Board relevant to the Audit and Risk Committee's remit.

Membership

The Audit and Risk Committee must consist of:

- at least three members;
- only non-executive directors;
- a majority of independent directors; and
- an independent Chairman, who is not Chairman of the Board.

The Committee was comprised of the following members in FY15, all of whom were independent non-executive directors:

- Richard Millen (Chairman);
- Donnald McMichael;
- Russell Balding, AO; and
- Philip Franet (ceased as a director on 3 August 2014).

Selection and appointment of the external auditor

KPMG is the auditor of the Group and was appointed in 2007. The most recent external audit partner rotation took place in the financial year ended 30 June 2014.

The Audit and Risk Committee annually reviews the performance of the external auditor and recommends to the Board the approval of the terms of the external audit engagement. The Audit and Risk Committee considers the independence of external auditors and oversees the external audit partner rotation.

2.2 Corporate Governance Committee

CORPORATE GOVERNANCE COMMITTEE

Roles and responsibility

The Committee operates under a Charter, and is responsible for nomination of directors, the Company's remuneration policy and oversight of the Company's corporate governance framework. More specifically, the Corporate Governance Committee reviews and makes recommendations to the Board in relation to:

- policies on remuneration, recruitment, retention, termination and superannuation of employees of the Company, including long term incentive plans;
- the performance of the CEO (and in consultation with the CEO, the CEO's direct reports);
- the selection, appointment, remuneration and performance evaluation of the Board, CEO, CFO and the CEO's direct reports;
- reviewing Board composition and independence of directors;
- succession planning for directors, the CEO, the CFO and the CEO's other direct reports; and
- maintaining an induction and continuing education program for directors.

Further detail about the Committee's role in succession planning and director induction is set out in Section 1 of this Corporate Governance Statement.

CORPORATE GOVERNANCE STATEMENT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

CORPORATE GOVERNANCE COMMITTEE

Membership

The Corporate Governance Committee must consist of:

- at least three members;
- only non-executive directors; and
- a majority of independent directors.

The Committee was comprised of the following members in FY15, all of whom were non-executive directors:

- Neill Ford (Chairman);
- Donnald McMichael;
- Russell Balding (from 6 May 2015); and
- Philip Franet (ceased as a director on 3 August 2014).

During FY15, the Board underwent a period of renewal. Following Mr Franet's passing, Mr Balding was appointed to the Committee in May 2015. The Committee comprised only two directors between August 2014 and May 2014, however, following Mr Balding's appointment the Committee now satisfies the membership composition recommendations contained in the ASX Principles.

Mr Ford will step down from the Board at the Company's Annual General Meeting in November 2015. Succession plans and transitional arrangements are being put in place for one of the Company's existing independent non-executive directors to take over the role of Chairman of the Corporate Governance Committee before Mr Ford retires from the Board.

Remuneration of Key Management Personnel

The Corporate Governance Committee has overall responsibility for overseeing and making recommendations to the Board in relation to remuneration of employees, including executives, and directors. The Company's remuneration policies appropriately reflect the different roles and responsibilities of non-executive directors compared with executive directors and other senior executives.

The remuneration entitlements of executives (including superannuation entitlements) are contained in written employment agreements between the executive and the Company. Each executives' employment agreement sets out a description of their position, and responsibilities.

The Company's policies and practices in relation to the remuneration of Key Management Personnel (KMP) is set out on in the Remuneration Report, at pages 41 to 53 of this Annual Report.

2.3 Marketing Committee

The Board has established a Marketing Committee for the purposes of supervising the establishment and development of the Company's marketing framework and ensuring that marketing activities are effective and generating value for money.

The Marketing Committee comprised the following non-executive directors in FY15:

- Donnald McMichael (Chairman);
- Neill Ford; and
- Rodney Gilmour (from 26 September 2014 to 25 November 2014).

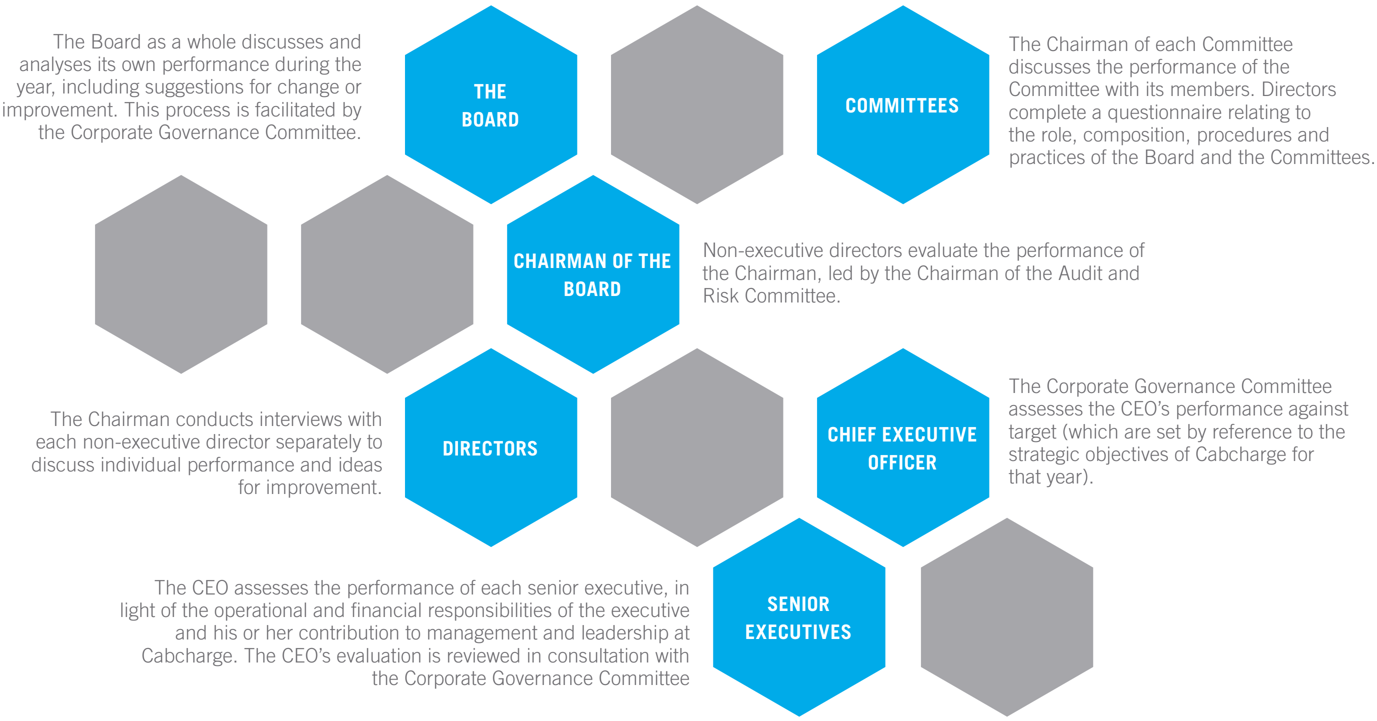
3. PERFORMANCE EVALUATION AND REMUNERATION

3.1 Performance evaluation process

The process for the performance evaluation of non-executive directors, the Board, its Committees, the CEO and senior executives is guided by the Company's Performance Evaluation Policy, a summary of which is set out in the diagram below.

All suggestions for improvement and change arising out of the annual performance evaluation process are received by the Board, through the Corporate Governance Committee or CEO (where appropriate). The Board or Corporate Governance Committee may also engage an external consultant to facilitate the annual performance evaluation process. Performance evaluations were conducted for the CEO and senior executives in FY15. However, in light of the large number of changes to the Board, formal evaluations were not conducted for the Board, its Committees or directors in FY15. Performance evaluations will resume as per usual in FY16.

A copy of the Performance Evaluation Policy is available on the Cabcharge website at www.cabcharge.com.au/corporategovernance.



4. POLICIES AND RISK FRAMEWORK

All of the Company's policies referred to in this section are available on the Cabcharge website at www.cabcharge.com.au/corporategovernance.

4.1 Diversity

Policy and programs

Cabcharge values diversity and inclusiveness in the workforce, recognising that diversity contributes to achieving sustainable long-term performance improvements. The greatest assets of the Company are its people, and the Company is committed to creating an environment where all employees have an opportunity to realise their potential and contribute to the success of the Company.

The Company has adopted a Diversity Policy and actively ensures that it is followed by adopting initiatives, programs and policies such as the following:

Requiring management to include at least one female candidate on all short lists when looking for appointees (and requiring management to report to the Board on outcomes)	**Providing an Employee Assistance Program that deals assists employees with personal or work related counselling and advice**	**Improving cultural awareness through training and employee engagement, such as celebrating various multicultural and faith events**
Providing appropriate facilities for our new parents in assisting with the transition back to the workforce	**Promoting corporate and social responsibility, including sponsoring a guide dog, providing iPads for special needs children and supporting National Harmony Day**	**Encouraging open discussions about diversity to promote awareness and openness at all levels of the Cabcharge business**

CORPORATE GOVERNANCE STATEMENT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

Measurable objectives

As at 30 June 2015, women represent 46.5% of the total workforce and 20.0% of executive managers (defined as the CEO's direct reports) and 40.8% of managers. Following the appointment of Ms Vonhoff in September 2015, women represent 14.3% of the Board. In order to improve gender diversity across the Company, the Board approved measurable objectives for FY15. These objectives and the Company's progress achieving them are set out below.

OBJECTIVE	TARGET	OUTCOME
Diversity awareness		
Cabcharge aims to create an environment in which individual differences are valued and all staff have the opportunity to realise their potential and contribute to the success of Cabcharge. Diversity objectives are communicated to business units and a diversity forum comprising management and team representatives has been set up.	Staff members are provided with the Diversity Policy on induction and through further training to line managers on diversity and conscious versus unconscious bias.	100% of employees have received diversity communications through induction or training. Diversity Policy and procedure guidelines are also made available.
Recruitment		
Efforts are made to identify prospective appointees who are female.	Recruiter briefings to include diversity requirements.	100% of jobs requested with diversity specifications.
Efforts are made for any short list of prospective appointees to include at least one female candidate.	Any short list of prospective appointees should include at least one female candidate.	All short lists included at least one female.
Retention		
Pay parity has been assessed to ensure females are not paid less than males for equivalent roles.	Pay parity exercise performed to assess the extent of pay parity discrepancies.	Pay parity has been completed and there are no identified roles where pay parity is of concern. As a matter of general practice, all employees engage in exit interviews to assist us in further developing our internal benchmarks and practices.
Female representation inside the Company should exceed the female representation of the Company's key commercial stakeholder groups – Taxi Operators and Taxi Drivers.	Female representation inside the Company is greater than the Company's key commercial stakeholder groups.	Female representation is 46.5% of the Company.
Workflow flexibility		
Cabcharge has flexible work arrangements in place – compressed working weeks, flexible work, time in lieu, telecommuting, carer's leave, unpaid leave and part time work.	100% of employees offered workplace flexibility programs to the extent possible for the particular role and the arrangement suits the business' needs.	100% of employees may request workplace flexibility. Each request is considered on a case by case basis taking into account the reasons for the request, the individual's requirements, business needs, demands and flexibility.

4.2 Share trading

The Company has adopted a Share Trading Policy to uphold shareholder, investment community and public confidence in the integrity of the market for Cabcharge shares. The policy prohibits directors, the Executive Team and other staff members from trading in securities or directing the trade of shares on the basis of inside information or communicating the inside information.

The Policy allows trading by directors and senior executives in specified 'trading windows', subject to complying with insider trading prohibitions and on condition that prior notification of the intention to trade is provided. The trading windows are:

- one month commencing on the trading day following the release of Cabcharge's Half Year Results to the ASX;
- one month commencing on the trading day following the release of Cabcharge's Annual Results to the ASX; and
- from the trading day following lodgement of Cabcharge's Annual Report with the ASX until one month after the Annual General Meeting of the Company.

Permission to trade outside of these windows may be given in exceptional circumstances.

In addition, the terms of the Company's equity incentive schemes prohibit participants from entering into transactions that limit the economic risk of equity-based remuneration (i.e. hedging and other arrangements).

4.3 Continuous disclosure

The Company has in place processes to ensure that the market is kept informed of material information by ensuring that all employees across the Group are aware of their continuous disclosure obligations.

The Continuous Disclosure Policy is designed to identify matters requiring disclosure and to allow appropriate announcements to be made in a timely manner consistent with the ASX Listing Rules. In particular, the Policy:

- provides guidance on the type of information that must be disclosed and the procedures for internal notification and external disclosure;
- includes details on the procedures in place for promoting the understanding of continuous disclosure requirements and the procedures in place for monitoring compliance; and
- establishes procedures to ensure that all material matters which may potentially require disclosure are promptly reported to the CEO through established reporting lines, including an immediate point of contact for all employees through their immediate managers.

The Company keeps its employees informed of any changes to the continuous disclosure regime established by the ASX Listing Rules or the Corporations Act.

4.4 Ethics and conduct

All employees are bound by the Company's Code of Ethics and Conduct (the **Code**), which sets out the expected standards of ethics and conduct employees are required to follow, in addition to their legal obligations, for the protection of shareholders and the broader community in which Cabcharge operates.

The Code addresses various issues, including conflicts of interest, corporate opportunities, confidentiality, fair dealing with the Company's customers, suppliers, competitors and employees, protection and proper use of the Company's assets, compliance with laws and regulations, encouraging the reporting of unlawful or unethical behaviour and actively promoting ethical behaviour and protecting those who report violations in good faith.

The Board is committed to operating the business of Cabcharge openly and transparently. A breach of the Code is considered to be serious and may result in termination of employment.

Directors are similarly required to act with personal integrity and in accordance with acceptable business practices, as set out in the Board Charter and each non-executive director's appointment letter. The Code of Ethics and Conduct is currently undergoing a review and, once amended, is expected to apply to directors as well as employees. This review is expected to be completed in FY16.

4.5 Shareholder engagement

The Company is committed to facilitating two-way communications with shareholders, to ensure that shareholders have an understanding of the Group's business, governance and performance, and can provide the Company with their own views on such matters.

Company policy	Policy in practice
The Board's commitment to shareholder engagement is reflected in the Company's Shareholder Communications Policy. The purpose of the Policy is to: • give shareholders information about the Company to enable them to exercise their rights as shareholders in an informed manner; • make relevant information available to people so that the market for shares in the Company can function in an informed manner; and • develop a strong culture of disclosure and to make relevant information available to shareholders, potential shareholders and other stakeholders in a timely and accurate manner.	The Company's website contains all market announcements, annual reports, important dates, and copies of Board policies and charters. The Company conducts periodic reviews of its website with an aim to improve the effectiveness of its electronic communications with shareholders and stakeholders generally. The Board encourages shareholders to receive and send electronic communications via its share registrar, Link Market Services. All shareholders have the right to attend the Company's Annual General Meeting. Shareholders are provided with a Notice of Meeting and an explanatory statement of the resolutions proposed. A copy of the Notice of Meeting is lodged with the ASX and is included in the market announcements feed on the Company's website. The Company ensures that its external auditor attends its Annual General Meeting, and allows shareholders to submit questions directly to the auditor prior to or at the Annual General Meeting.

CORPORATE GOVERNANCE STATEMENT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

4.6 Risk identification and management

The Board, in consultation with the Audit and Risk Committee, is responsible for reviewing the Company's policies on risk oversight and risk management. The Audit and Risk Committee ensures that risk management and compliance are supported by policies, procedures, internal controls, reporting, ethical standards and management accountability.

Annual risk management review and declaration

The Audit and Risk Committee reviews the soundness of the elements for Cabcharge's risk management framework at least annually. Management are required to report in to the Committee on the Company's risk management and internal control systems.

Consistent with the 3rd Edition of the ASX Principles, before the Board approves the Group's financial statements, it receives from its CEO and CFO a declaration that:

- in their opinion and as required by the *Corporations Act 2001*, the financial records of the Group have been properly maintained and the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity; and
- that opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The first financial period in respect of which the Board received this verified form of declaration was the financial year ended 30 June 2015. The Board has put in place procedures to ensure that it will in the future, receive the declarations prior to the approval of the Group's half year and full year financial statements.

Internal audit process

The CEO and senior management are accountable for developing and promoting the appropriate management of risk and the ongoing maintenance of the control environment.

In FY14, the Audit & Risk Committee appointed PricewaterhouseCoopers to carry out the Group's internal audit function. Accordingly, the internal auditor is independent of the external audit auditor, KPMG. The internal auditors met with the Audit & Risk Committee and key senior executives in FY14 to understand the business, the existing risk management framework and together, worked through a process to identify and understand the current risks facing the business in light of the strategic direction of the Company. The Company has agreed a three year internal audit plan, with the Audit & Risk Committee to review and recommend to the Board the approval of the annual internal audit plan each year.

Economic, environmental and social sustainability risks

Cabcharge recognises the interdependence of financial returns, social benefits and environmental impacts in our long-term business success. Therefore the Company seeks to create and build sustainable value for all its stakeholders including taxi drivers, taxi operators, customers, passengers, employees, shareholders, business partners and the communities in which we operate.

Cabcharge monitors and seeks to manage economic, environmental and social sustainability risks within the Company's broader risk management and internal control framework. This includes ensuring that information is effectively communicated between the Board, the Audit & Risk Committee, the internal audit function and the executive team. As set out of page 14 of this Annual Report, Cabcharge continues to monitor changes to regulation, the competitive landscape and technology environment within and outside its business. Developments relating to these or other risks that may impact Cabcharge are escalated within the business and to the executive team, the Audit & Risk Committee and the Board as relevant. The Company uses a number of methods to minimise and manage such risks, including by diversifying its operations and business activities, adopting contingency plans and risk control frameworks and, where necessary, adapting the Company's strategy to reduce its risk exposure.

More generally, Cabcharge tries to promote sustainability in its business by seeking to minimise or eliminate environmental harm in its business operations and become involved in the communities where we operate and promote socially responsible practices.

Although Cabcharge is not a substantial carbon emitter we seek to reduce usage and increase efficiencies in relation to waste, water and energy to reduce our carbon footprint. We follow the principles to reduce, re-use and recycle and actively seek to improve systems and processes to minimise the operational impact of the Company on the environment.

Competition and Consumer Act Compliance Policy

The Group is committed to complying with the provisions of the Competition and Consumer Act 2010 (Cth) (CCA) and this is demonstrated by the Company's implementation of a comprehensive compliance program which includes:

- the appointment of a compliance officer;
- a direction to all employees to report any compliance related issues and compliance concerns relating to the CCA to the compliance officer;
- a guarantee that employee(s) making a complaint or report in relation to the Group's compliance with the CCA will not be victimised or disadvantaged in any way by reason of their complaint or report and confirmation that their complaint or report will be kept confidential and secure; and
- a guarantee that the Company will take disciplinary action against any employee who is knowingly or recklessly involved in a contravention, or attempted contravention of the relevant provisions of the CCA and will not indemnify them directly or indirectly, in respect of any such involvement.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2015

Your directors present their report together with the Consolidated Financial Statements of the consolidated entity consisting of Cabcharge Australia Limited (**Company** or **Cabcharge**) and the entities it controls (**Group**) for the financial year ended 30 June 2015.

1. DIRECTORS

The directors of the Company in office at any time during or since the end of the financial year unless otherwise stated, are as follows:

Russell Balding, AO	Chairman Director
Neill Ford	Deputy Chairman Director
Andrew Skelton	Director – appointed 10 December 2014
Donnald McMichael	Director
Richard Millen	Director
Stephen Stanley	Director – appointed 21 August 2015
Trudy Vonhoff	Director – appointed 21 August 2015
Ian Armstrong	Director – ceased 31 October 2014
Philip Franet	Director – ceased 3 August 2014
Mr Rodney Gilmour	Director – ceased 25 November 2014

Russell Balding, AO

Chairman, Member of the Board since 6 July 2011

Special responsibilities – Member of the Audit & Risk Committee & Corporate Governance Committee

Russell Balding was appointed Chairman of the Board in May 2014. Mr Balding is also the Deputy Chairman of Destination NSW, a director of ComfortDelgro Cabcharge Pty Ltd, CityFleet Networks Ltd (UK), The Trust Company (Sydney Airport) Limited and a Board Member of Racing NSW. Mr Balding previously chaired the Visitor Economy Taskforce, established by the NSW Government to develop a tourism and events strategy to double overnight visitor expenditure to NSW by 2020.

Previously, Mr Balding has also served on the Boards of NSW Business Chamber Limited, ThoroughVision Pty Ltd (TVN), Tourism NSW and the Transport and Tourism Advisory Board. He was CEO of Sydney Airport Corporation Limited from 2006 to 2011, Managing Director of the Australian Broadcasting Corporation (ABC) from 2002 to 2006 and prior to that ABC's Director of Funding, Finance and Support Services. Mr Balding was also the Director of Finance of the NSW Roads and Traffic Authority. He is a past State President and currently a Fellow of CPA Australia, and a member of the Australian Institute of Company Directors.

Directorships of other listed public companies held at any time during the three years to 30 June 2015 – The Trust Company (Sydney Airport) Limited in its capacity as responsible entity of the Sydney Airport Trust 1.

Neill Ford

Deputy Chairman, Member of the Board since 21 March 1996

Special responsibilities – Chairman of the Corporate Governance Committee, Member of the Marketing Committee

Neill Ford was appointed Deputy Chairman of the Board in June 2014. Mr Ford is the Managing Director of Yellow Cabs (Qld) Pty Limited, a company operating a fleet of 1,200 taxis and Courier vans and has in excess of 40 years' experience in taxi company management. As Chairman of Taxis Australia Pty Limited, Mr Ford represents 10,000 taxis across Australia. Mr Ford is currently a director of ComfortDelGro Cabcharge Pty Ltd and City of Brisbane Investment Corporation. Mr Ford is a Fellow of the Australian Institute of Company Directors and the Australian Institute of Management.

Directorships of other listed public companies held at any time during the three years to 30 June 2015 – nil.

Andrew Skelton

Chief Executive Officer & Managing Director, Member of the Board since 10 December 2014

Andrew Skelton commenced as Chief Executive Officer in June 2014 and was appointed Managing Director in December 2014. Prior to this, Andrew was the Group Corporate Counsel and Company Secretary from December 2011 and Chief Operating Officer of Black Cabs Combined from 2005 to 2011. Before joining the Group in 2000, Andrew was a mergers and acquisitions lawyer at K&L Gates in Melbourne. Andrew holds an MBA, Bachelor of Law, Bachelor of Commerce and a Graduate Diploma of Applied Corporate Governance.

Directorships of other listed public companies held at any time during the three years to 30 June 2015 – nil.

Donnald McMichael

Non-Executive Director, Member of the Board since 25 June 1996

Special responsibilities – Chairman of the Marketing Committee, Member of the Corporate Governance Committee and Audit & Risk Committee

Donnald McMichael is CEO of Noah's Ark Foundation and was the former Chairman of Aerial Taxi Co-Op Society Limited, and former director of Yellow Cabs (Canberra) Pty Ltd and the Fundraising Institute of Australia (ACT). Mr McMichael is a member of the Australian Institute of Management and Australian Society of Association Executives, and an Associate of the Australian Institute of Company Directors.

Directorships of other listed public companies held at any time during the three years to 30 June 2015 – nil.

Richard Millen

Non-Executive Director, Member of the Board since 4 June 2014

Special responsibilities – Chairman of the Audit & Risk Committee

Richard Millen has extensive experience in transactions, corporate finance and accounting. Mr Millen spent over 30 years with PricewaterhouseCoopers and led its first Corporate Finance practice and subsequently the broader advisory practice of the firm. Mr Millen has a strong background in corporate responsibility, having led PricewaterhouseCoopers' internal Corporate Responsibility agenda in Australia from 2005 to 2011, and globally from 2007 to 2010. Mr Millen is also a Director of Australia for UNHCR and a director of Youth Off the Streets. Mr Millen holds a MA Hons Jurisprudence (Law) from Oxford University and is a member of the Institute of Chartered Accountants in Australia and New Zealand.

Directorships of other listed public companies held at any time during the three years to 30 June 2015 – nil.

DIRECTORS' REPORT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

Stephen Stanley

Non-Executive Director, Member of the Board since 21 August 2015

Stephen Stanley was Director of Strategy & Corporate Development at Toll Holdings for 13 years. Stephen joined Toll in its early years of growth when it was a small domestic transport company and in line with his responsibility of strategy and mergers and acquisition, Toll acquired and integrated around 100 businesses both domestically and internationally, transforming Toll from a successful domestic operator to a leading global logistics company.

Prior to joining Toll, Stephen took a role with the Mayne Nickless Group in 1988. Stephen progressed in operational roles and was promoted to General Manager of a business unit and then to the CEO position of the Logistics Group in 1996. Stephen successfully re-positioned and consolidated the various business units to grow the Division under a single strategic and operational framework.

Stephen has extensive transport and logistics experience at operational and senior executive roles both domestically and internationally, with strong JV board experience in representing Toll on numerous boards.

Stephen has a Bachelor of Business in Accounting from RMIT University and is a graduate of the Australian Institute of Company Directors.

Directorships of other listed public companies held at any time during the three years to 30th June 2015 – nil.

Trudy Vonhoff

Non-Executive Director, Member of the Board since 21 August 2015

Trudy Vonhoff is currently a director of Ruralco Holdings Limited, AMP Bank Limited and Tennis NSW Limited and she is a member of the 3 organisations' Audit & Risk Committees. Trudy also chairs the Nomination and Remuneration Committee at Ruralco Holdings, the Audit Committee for AMP Bank, and the Audit and Risk Committee at Tennis NSW. She has held senior executive positions with Westpac and AMP. Her roles at Westpac included leading the Commercial Banking and Agribusiness unit nationally, Regional & Agribusiness Banking and prior to that, led the Bank's Operations function.

Trudy has a Bachelor in Business from QUT, a Master of Business Administration from UTS, and is a graduate of the Australian Institute of Company Directors.

Directorships of other listed public companies held at any time during the three years to 30 June 2015 – Ruralco Holdings Limited.

2. EXECUTIVE TEAM

Andrew Skelton

Chief Executive Officer & Managing Director

Andrew Skelton commenced as Chief Executive Officer in June 2014 and was appointed Managing Director in December 2014. Prior to this, Andrew was the Group Corporate Counsel and Company Secretary from December 2011 and Chief Operating Officer of Black Cabs Combined from 2005 to 2011. Before joining the Group in 2000, Andrew was a mergers and acquisitions lawyer at K&L Gates in Melbourne. Andrew holds an MBA, Bachelor of Law, Bachelor of Commerce and a Graduate Diploma of Applied Corporate Governance.

Sheila Lines

Chief Financial Officer

Sheila Lines commenced as Chief Financial Officer on 13 July 2015. Sheila joined Cabcharge from BPay where she was the Chief Financial Officer since 2013. Prior to BPay, Sheila was the Chief Financial Officer and then Chief Executive Officer of KeyTech Limited based in Bermuda. Sheila has held several senior financial roles and has been an Independent Non-Executive Director of Butterfield Bank where she served as the Chair of the Audit Committee and Chair of the IT Committee. Sheila has a Bachelor of Laws from the University of London, is a Fellow of the Institute of Chartered Accountants in England and Wales and is a member of the Institute of Chartered Accountants in Australia and New Zealand.

Adrian Lucchese

General Counsel and Company Secretary

Adrian Lucchese commenced at Cabcharge on 20 October 2014. Adrian began his career with Blake Dawson Waldron (now Ashurst) in 1988 and has held a number of senior management roles including Group General Counsel and Company Secretary of George Weston Foods Limited where, amongst other things, he was responsible for many of the improvements to its competition compliance program. From August 2011 to October 2014, Adrian was Company Secretary of AMP Capital Holdings Limited where he contributed to many governance, structural and business improvement initiatives. Adrian holds Bachelor degrees in both Science and Laws from the University of Sydney and a Master of Laws from the University of Sydney.

John D'Arcy

Head of Payments

John D'Arcy commenced as Head of Payments in November 2014. From May 2007 John was Group Group General Manager. Prior to that John worked for Ausdata-JBA an Australian systems integrator specialising in Banking, Retail and Hospitality products. John held a variety of positions at Ausdata-JBA from Developer through to Managing Director. John also holds a Diploma in Programming Technology.

Stuart Overell

Chief Operating Officer, Taxi Services

Stuart Overell commenced as Chief Operating Officer, Taxi Services in November 2014. Prior to this, Stuart was Chief Operating Officer for Black Cabs Combined from December 2011, Operations Manager from January 2010 and IT Manager from 2007. Before joining the Group, Stuart was IT Manager for the multi-national manufacturing company Feltex Carpets. Stuart is an Executive Councillor for the Victorian Taxi Association, holds a Bachelor of Computing (Business Systems) from Monash University and is a graduate of the Royal Military College Duntroon.

Fred Lukabyo

Chief Operating Officer

Fred Lukabyo commenced as Chief Operating Officer in November 2014. From 2002 Fred was Chief Operating Officer, Taxi Services. Prior to this, Fred was responsible for Customer Operations in Australia, New Zealand and Fiji at Tyco International. Fred had previously worked in the Deluxe Red and Yellow Cabs Group as Communications Centre Manager until 1999. Fred holds an Australian Graduate School of Management (AGSM) MBA awarded jointly from the University of New South Wales and University of Sydney, a Bachelor of Business from the University of Technology, Sydney and is a Tier One qualified Insurance Broker.

Chip Beng Yeoh

Chief Financial Officer and Company Secretary

Chip Beng Yeoh commenced as Chief Financial Officer in February 2007 and was appointed Company Secretary from April 2009. Before being appointed to his current position, Chip was the Chief Financial Officer for ComfortDelGro Cabcharge Pty Ltd and prior to that, Vice President, Corporate Finance at ComfortDelGro Corporation Limited in Singapore. Chip is a member of CPA Australia and the Institute of Singapore Chartered Accountants, and holds a Bachelor of Commerce (Accountancy, Finance & Systems) from the University of New South Wales.

Mr Yeoh resigned from the role of Chief Financial Officer and Company Secretary on 30 June 2015.

3. PRINCIPAL ACTIVITIES

The Group is primarily involved in taxi related services as well as having a significant interest in the provision of route, school and bus services through its interest in an associate.

There were no significant changes in the nature of the activities of the Group during the year.

4. DIVIDENDS

Dividends paid or declared for payment since the end of the previous financial year are as follows:

Date paid or scheduled	Type	Cents per share	Paid or declared $'000
In respect of the prior year			
29-Oct-14	Final	10	12,043
In respect of the current year			
30-Apr-15	Interim	10	12,043
29-Oct-15	Final	10	12,043

The 2015 final dividend was declared after the end of the financial year and is payable on 29 October 2015 with a record date of 30 September 2015.

All dividends are fully franked at a tax rate of 30%.

5. OPERATING AND FINANCIAL REVIEW

The Operating and Financial Review of the Group for the year ended 30 June 2015 is set out on pages 12 to 21.

6. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the directors, there were no significant changes in the state of affairs of the consolidated entity during the financial year not otherwise disclosed in this report or the Consolidated Financial Statements.

7. EVENTS SUBSEQUENT TO REPORTING DATE

The directors have declared a final dividend of 10 cents per share (fully franked) scheduled to be paid on 29 October 2015. The record date to determine entitlement to dividend is 30 September 2015.

Other than the matter above, there have been no events subsequent to the reporting date that would have a material impact on the Group's financial statements as at 30 June 2015.

8. LIKELY DEVELOPMENTS

The 2016 financial year will reflect the full year impact on taxi service fee income from new laws imposing a price limit on service fees in New South Wales and Western Australia. To help offset this impact, our operating strategies are directed at continuing to drive volume increases in fares processed through our services.

In April this year Cabcharge announced that it had entered an agreement with Secure Parking Pty Ltd to provide a turnkey software solution for the processing of electronic payment and credit card transactions in Secure's car parks throughout Australia. The arrangement with Secure builds on our experience in delivering payment terminal code to major banks such as NAB and Westpac as well as to large scale retailers such as Woolworths by delivering an end to end software solution encompassing payments, networking, security and switching. Secure Parking is Cabcharge's first electronic payments client outside the taxi and transport payments industry.

We are meeting the challenges of the competitive industries in which we operate and remain focused on upholding our position as the leading provider of taxi related services, leveraging the quality of our service offerings, our experience and our passion for the taxi industry and its stakeholders.

9. ENVIRONMENTAL REGULATION

The Group's operations are not subject to any particular or significant environmental regulations under the laws of the Commonwealth or any State or Territory.

DIRECTORS' REPORT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

10. DIRECTORS' INTERESTS IN SHARES

The relevant interest of each director in the share capital of the Company at the date of this report is as follows:

Director	Note	Direct interest shares	Indirect interest shares	Total
Russell Balding, AO		40,000	–	40,000
Donnald McMichael	1	500	15,530	16,030
Richard Millen	2	–	20,000	20,000
Andrew Skelton		6,861	–	6,861
Stephen Stanley	3	–	80,000	80,000
Trudy Vonhoff		10,000	–	10,000
				172,891

1. 12,500 fully paid ordinary shares held by Gracious Investments Pty Ltd atf Donren Holdings Superannuation Fund and 3,030 CABSRU (a self funding instalment warrant issued by RBS) held by Gracious Investments Pty Ltd atf Donren Holdings Superannuation Fund.
2. 20,000 fully paid ordinary shares held by Millen Superannuation Fund.
3. 80,000 fully paid ordinary shares held by Esjay Ptd Ltd atf The SL Stanley Family Trust.

11. REMUNERATION REPORT

The Remuneration Report which is set out on pages 40 to 53 and forms part of this Directors' Report, has been audited as required by Section 308(3C) of the *Corporations Act 2001*.

12. DIRECTORS' MEETINGS

The number of directors' meetings which directors were eligible to attend (including Committee meetings) and the number attended by each director during the reporting period were:

			Committee Meetings					
	Directors' Meetings		Audit & Risk Committee		Corporate Governance Committee		Marketing Committee	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Ian Armstrong [2]	4	4	1	1	nm	nm	nm	nm
Russell Balding, AO	11	11	5	5	2	2	nm	nm
Neill Ford	11	9	nm	nm	4	4	3	2
Philip Franet [1]	–	–	–	–	–	–	nm	nm
Rod Gilmour [3]	4	4	nm	nm	nm	nm	1	1
Donnald McMichael	11	10	4	3	4	3	3	3
Rick Millen	11	11	5	5	nm	nm	nm	nm
Andrew Skelton [4]	5	5	nm	nm	nm	nm	nm	nm

nm – not a member of the relevant committee

1. Ceased 3 August 2014
2. Ceased 14 October 2014
3. Ceased 25 November 2014
4. Appointed 10 December 2014

13. SHARE OPTIONS

There were no unissued shares of the Company under option at 30 June 2015 and no shares issued during the financial year as a result of the exercise of options. No options have been granted since the end of the financial year.

14. INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company has agreed to provide indemnities to and procure insurance for past and present directors, officers and senior management of the Company and its controlled entities.

The indemnities provide broad indemnification against liabilities to another person (other than the Company or a related body corporate) and for legal costs that may arise from their position as directors, officers or senior managers of the Company and its controlled entities. The indemnities are subject to certain exceptions such as where the liability arises out of conduct involving a lack of good faith.

The Company has also paid insurance premiums for insurance policies providing the type of cover commonly provided to directors, officers and senior employees of the listed companies such as the Company. As is commonly the case, the insurance policies prohibit further disclosure of the nature of the insurance cover and the amount of the premiums.

There has been no indemnification of the current auditors, nor have any insurance premiums been paid in respect of the current auditors since the end of the previous year.

15. NON-AUDIT SERVICES BY AUDITORS

Non-audit services provided by KPMG Australia, the auditors of the Group, were for the provision of taxation compliance services for which fees were paid or payable of $75,872 (2014: $53,700) and other assurance services for which fees were paid or payable of $8,660 (2014: $8,850).

The Board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the Audit & Risk Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit & Risk Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in management or decision making capacity of the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Group, KPMG Australia, and its related practices for audit and non-audit services provided during the year are set out in Note 26 of the Consolidated Financial Statements.

16. PROCEEDINGS ON BEHALF OF THE COMPANY

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

No proceedings have been brought or intervened in on behalf of the Company with leave of a court under section 237 of the *Corporations Act 2001*.

17. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 54 and forms part of this Directors' Report for the year ended 30 June 2015.

18. ROUNDING OFF

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the consolidated financial statements and Directors' Report has been rounded to the nearest thousand dollars, unless otherwise stated.

REMUNERATION REPORT
FOR THE YEAR ENDED 30 JUNE 2015

(UNAUDITED)
Letter from the Chairman of the Corporate Governance Committee

Dear Shareholders

On behalf of the Board, I am pleased to present our Remuneration Report for the year ended 30 June 2015 (FY15).

Cabcharge is currently in a transitional phase; the opportunities for our business are enormous, but at the same time, the challenges have never been greater. Disruptive technologies, fierce competition and regulatory change mean we need to adapt quickly. As outlined in this Annual Report, we are driving a transformation and change program across our business that will give us the flexibility and efficiency we need to continue to grow.

A key focus of the Corporate Governance Committee in FY15 has therefore been the implementation of a remuneration framework and underlying practices that support these transformation objectives. This is an ongoing process and builds on the work achieved by the Committee during the financial year ended 30 June 2014. The Committee recognises the need to continually review and update remuneration arrangements to respond to changes in the business environment and market expectations and is committed to ensuring that Cabcharge's remuneration strategy reflects this larger picture.

In FY15, we made significant progress in transitioning to a remuneration framework that supports our re-invigorated business model by clearly aligning executive interests with long-term shareholder value, and rewarding our senior people for individual and corporate performance against a broad range of strategic measures. As well as successfully implementing all of the remuneration governance renewal and review commitments made in the FY14 Remuneration Report, the Corporate Governance Committee has also overseen a number of additional changes to our remuneration structure intended to drive and reward performance by the senior management team against specific and challenging short-term goals and longer term objectives.

Key highlights in relation to remuneration in FY15 include:

- A review of senior executive remuneration levels, including benchmarking against Australian listed companies of a similar size and complexity to that of Cabcharge to maintain the Company's ability to recruit and retain key management talent in order to lead the next phase of the Company's growth;
- The continued evolution of the Company's remuneration framework by introducing greater performance-based remuneration for senior executives;
- The introduction of a new short-term incentive plan, which has been extended to cover the CEO and senior executives newly appointed to their role;
- The extension of the long term incentive plan to include the senior executive team who have transitioned to new contracts with a focus on aligning the interests of executives with the longer term interests of shareholders;
- The formalisation of senior executive employment arrangements, including incentive plan arrangements, termination provisions, and post-termination obligations in "market standard" executive contracts.

The Corporate Governance Committee considers that significant progress has been made during FY15 and is committed to continuing its efforts to transform Cabcharge's remuneration framework to be more responsive, robust and reflective of current market practices and expectations. Accordingly, a number of additional changes are anticipated to be undertaken during the financial year ending 30 June 2016 (FY16) as part of this continued evolution of the remuneration framework.

Details regarding the anticipated changes for FY16 are set out on page 42 of this Remuneration Report.

Yours faithfully

Chairman of the Corporate Governance Committee

Neill Ford

(AUDITED)

Cabcharge Remuneration Report for the financial year ending 30 June 2015

Contents

This Remuneration Report for the year ended 30 June 2015 outlines the remuneration arrangements of the Company in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. Accordingly, the information in sections 1 to 8 has been audited as required by section 308(3C) of the Act.

1. OVERVIEW

For FY15, the Corporate Governance Committee has redesigned the Remuneration Report to provide greater clarity regarding remuneration outcomes and the link to Company performance.

Key changes to the Remuneration Report include:

- Reporting of expected outcomes from new STI plan which better align pay for performance;
- Reordering the remuneration report sections for improved readability; and
- Enhanced disclosure of the relationship between incentive plan performance targets and outcomes achieved.

1A. Who is covered by this report

This report covers all Key Management Personnel (KMP) of Cabcharge Australia. The KMP have authority and responsibility for planning, directing and controlling the major activities of the Company, either directly or indirectly, and include the senior executives set out in the table below, and all directors (executive and non-executive).

For the remainder of this Remuneration Report, the KMP are referred to as either non-executive directors (NEDs) or senior executives (including the CEO).

Table 1: KMP included in this report

(i) Non-executive directors (NEDs)	Role	Change in FY15
Mr Russell Balding AO	Independent Chairman	
Mr Neill Ford	Deputy Chairman	
Mr Ian Armstrong	Director	Ceased 31 October 2014
Mr Philip Franet	Director	Ceased 3 August 2014
Mr Rodney Gilmour	Director	Ceased 25 November 2014
Mr Donnald McMichael	Independent Director	
Mr Richard Millen	Independent Director	
(ii) Senior executives	**Role**	**Change in FY15**
Mr Andrew Skelton*	Managing Director and Chief Executive Officer	Appointed to the Board on 10 December 2014
Mr John D'Arcy*	Head of Technology and Payments	Commenced in new role on 1 November 2014
Mr Fred Lukabyo*	Chief Operating Officer	Commenced in new role on 1 November 2014
Mr Stuart Overell*	Chief Operating Officer – Taxi Networks	Commenced in new role on 1 November 2014
Mr Adrian Lucchese	General Counsel and Company Secretary	Commenced as KMP on 20 October 2014
Mr Chip Beng Yeoh	Chief Financial Officer and Company Secretary	Ceased as KMP on 30 June 2015
Mr Rob Roozendaal	Group General Manager – Information Technology	Ceased as KMP on 31 October 2014

* Messrs Skelton, D'Arcy, Lukabyo and Overell were already considered to be KMP of the Company in FY14, however they each changed roles during the course of FY15 or, in the case of Mr Skelton, was appointed to the Board during FY15. Mr D'Arcy was previously Group General Manager, Technology and Payments, Mr Lukabyo was previously Chief Operating Officer, Taxi Services and Mr Overell was previously Chief Operating Officer, Black Cabs.

REMUNERATION REPORT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

Changes to KMP since close of reporting period

Ms Sheila Lines has been appointed Chief Financial Officer, effective 13 July 2015.

Mr Stephen Stanley and Ms Trudy Vonhoff have each accepted the role of independent non-executive director effective 21 August 2015.

In accordance with the Company's constitution, Mr Stanley and Ms Vonhoff's appointments are subject to shareholder approval at the 18 November 2015 Annual General Meeting. Further information regarding Mr Stanley and Ms Vonhoff, including biographical details, was announced to the ASX on 21 August 2015 at the time of their appointment.

1B. Realised remuneration

The details of statutory executive remuneration prepared in accordance with the accounting standards can be found on page 51.

The table below has been prepared to provide shareholders with a greater understanding of actual remuneration received by senior executives in FY15. While the amounts disclosed in the table are not in accordance with the accounting standards, they are intended to provide a clearer explanation of the pay for performance relationship in our remuneration structure.

Table 2: Remuneration earned in FY15 (Non-statutory)

Executive	Fixed remuneration[1] $	STI earned in FY15[2] $	LTI vested in FY15[3] $	Other[4] $	Total $	Cash bonus (performance related) in FY14 $
Mr Andrew Skelton	675,000	200,000	–	–	875,000	25,000[5]
Mr John D'Arcy	336,846	80,000	–	–	416,846	–
Mr Fred Lukabyo	412,000	–	–	38,184	447,211	18,692[6]
Mr Stuart Overell	317,002	63,750	–	27,026	450,184	9,346[6]
Mr Adrian Lucchese	201,923	37,500	–	–	239,423	–
Mr Chip Beng Yeoh	470,000	–	–	–	470,000	20,000[6]
Mr Rob Roozendaal	103,846	–	–	–	103,846	5,607[6]

1. Fixed remuneration comprises base salary and superannuation.
2. Due to the implementation of the new executive contracts and STI plan, expected STI outcomes under the new plan have been accrued for FY15.
3. No LTI awards were capable of vesting in FY15.
4. Reportable fringe benefit.
5. Paid in FY15 in respect of performance in FY14.
6. These amounts were determined and paid in December 2013 at the instruction of the Executive Chairman and Chief Executive Officer.

1C. Future remuneration strategy – FY16 and beyond

As outlined above, the Board and the Corporate Governance Committee are committed to continuing efforts to transform Cabcharge's remuneration framework to be more responsive, robust and reflective of current market practices and expectations. These changes are being introduced progressively recognising the transition involved and the need to adjust our remuneration framework in an orderly and fair manner for both the Company and our people.

The Board and the Corporate Governance Committee is considering further adjustments in the remuneration mix between the remuneration elements and the performance hurdles for STI and LTI plans to ensure that the Company's remuneration practices stay relevant to the market conditions and strategic needs of the Company in FY16 and beyond.

Planned changes for remuneration in FY16 include:

- **STI Awards – implementation of group-wide performance measures:** In FY16, the Company will adjust STI award performance measures and weightings in order to reflect the changing strategic priorities of the Company. Relevantly, the Company expects to transition away from individual key performance indicators (KPIs) to greater use and reliance on group-wide measures, such as financial performance and progress on strategic milestones and projects. The personal KPIs for FY15 were necessary to focus executives on building the base for corporate transformation. As we move forward and the outcomes and deliverables from those strategic projects gain traction and drive value, it is appropriate and desirable to factor corporate performance into STI performance measures and outcomes. This will facilitate consistency in the KPIs set for the senior executive team and enable transparency of STI outcomes.
- **LTI Awards – adoption of a return on equity (ROE) performance measure:** From FY16, an ROE performance measure will replace the existing turnover compound annual growth measure used for senior executive LTI awards. ROE has been chosen by the Board because it is meaningful to participants and shareholders, it aligns executive interests with the shareholder experience and will enhance management's focus on profitability and capital efficiency which is important for the Company in this next stage of its growth.

1D. Remuneration Report resolution at 2014 AGM

At the 2014 AGM, the Company received a vote of 57% against the adoption of its FY14 Remuneration Report by shareholders.

The Board recognises the significance of that vote and is focused on improving the Company's remuneration governance and ensuring remuneration outcomes are closely linked to Company performance. In the year since the 2014 AGM, the Board and the Corporate Governance Committee have actively taken steps to ensure that these matters are addressed to shareholders' satisfaction.

Details regarding the Board and the Corporate Governance Committee's achievements during FY15 are outlined in the letter introducing this Remuneration report and in more detail throughout. Information regarding further changes to the remuneration framework anticipated for FY16 are outlined in Section 1C.

Areas of specific concern raised by the shareholders were:

- The Board having discretion to adjust the turnover compound annual growth target to determine vesting of the Strategic Hurdle tranche of the LTI grant – it is the intention of the Board to only activate discretion in extreme circumstances for the purpose of ensuring that Cabcharge senior executives are neither advantaged nor disadvantaged by extraneous events such as regulatory changes. Where regulatory change impacts the performance hurdles set, the Board may apply the discretion in order to eliminate any undue advantage or disadvantage which the relevant senior executive might incur. From FY16, the Company will be replacing the turnover compound annual growth target/Strategic Hurdle for LTI awards with an ROE based hurdle to more closely align to return to shareholders.
- The CEO not being on the Board – the CEO was appointed as a director with effect from 10 December 2014.
- Independence of Neill Ford as Corporate Governance Committee Chairman – Mr Ford will step down from the Board at the Company's Annual General Meeting in November 2015. Succession plans and transitional arrangements are being put in place for one of the Company's existing independent non-executive directors to take over the role of Chairman of the Corporate Governance Committee before Mr Ford retires from the Board.

2. REMUNERATION GOVERNANCE

This section describes the roles of the Board, Corporate Governance Committee, management and external advisors when making remuneration decisions, and sets out an overview of the principles and policies that underpin the Company's remuneration framework.

The following diagram illustrates the process for how remuneration decisions are made:

Board

- Ensures remuneration is fair and competitive, and supports the Company's strategic and operational goals
- Approves remuneration structures recommended by the CGC
- Approves remuneration policy for NEDs, CEO and other senior executives

Corporate Governance Committee (CGC)

- Comprises at least 3 members appointed by the Board
- Must have an independent chair and a majority of independent directors
- Proposes remuneration for NEDs and CEO to the Board
- Undertakes an annual remuneration review
- Sets performance conditions
- Cabcharge CGC met 4 times in FY15

For more detail on Cabcharge charters and policies, see:
https://www.cabcharge.com.au/corporategovernance/default.aspx

Management

- CEO proposes remuneration for direct reports to the CGC, including individual performance outcome recommendations for the financial year
- CEO not present when his remuneration is discussed

External remuneration consultants and advisors

- Engaged and appointed by the Board
- Advises the CGC and management to ensure that the Company is fully informed when making decisions
- Mandatory disclosure requirements apply to use of remuneration consultants under Corporations Act 2001

REMUNERATION REPORT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

Use of remuneration consultants

The Corporate Governance Committee appointed Ernst & Young as adviser to assist with the design of the LTI Plan. Ernst & Young were engaged by, and reported to the Committee. Ernst & Young also assisted the Company with short-term incentive and remuneration framework advice and other governance services.

During FY15 Ernst & Young did not provide a remuneration recommendation as defined by the Corporations Act.

3. EXECUTIVE REMUNERATION ARRANGEMENTS

3A. Remuneration principles and link to Company strategy

The Company has adopted the following principles to guide its remuneration strategy:

- to provide that senior executive and director remuneration is balanced and market competitive in order to recruit and retain skilled senior executives and directors;
- to align the interests of senior executives with the long-term interests of the Company and its shareholders with the use of performance-based remuneration;
- to set short and long-term incentive performance hurdles that are challenging and linked to the creation of sustainable shareholder returns; and
- to ensure any termination benefits are justified and appropriate.

These principles are reflected in the Company's remuneration framework which is set out below for FY15.

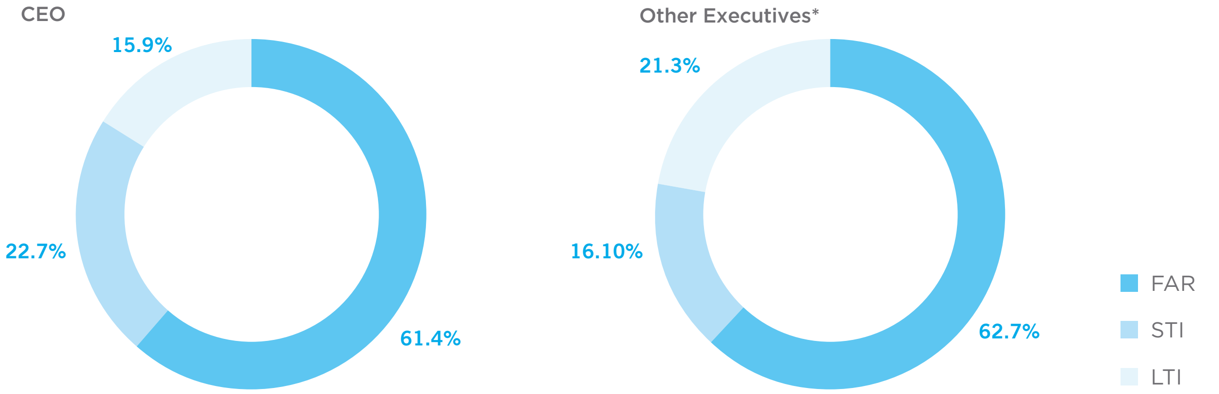
Transformational business objectives	Remuneration strategy objectives	Remuneration structure
Establish operational platform for future growth Focus on shareholder value	Attract and retain key talent through balanced remuneration offer, with market competitive pay and performance focussed STI and LTI Transition senior executives to contemporary executive contracts Focus senior executive team on critical change projects Align interests of executives and shareholders. Phased rollout of STI and LTI schemes to all senior executives	**Fixed Annual Remuneration (FAR)** FAR set with reference to organisations of similar size and complexity. **Short-term incentives** Mix of financial and non-financial hurdles, set at individual business unit level focused on strategic priorities. **Long-term incentives** Performance rights vesting over four years, subject to achievement of absolute TSR and turnover growth hurdles, with no opportunity to retest performance. **Executive arrangements** Introduction of new contracts formalising incentive arrangements, and termination and post-termination provisions.

3B. Remuneration structure

The Company aims to reward senior executives with a level and mix of remuneration appropriate to their position, responsibilities and performance. In FY15, the executive remuneration framework consisted of fixed remuneration (FAR) and "at risk" remuneration (STI and LTI).

The overall level of remuneration for each senior executive is intended to be conservative, but sufficient to be market competitive for the purposes of recruiting and retaining skilled executives. The Company recognises that its historical focus on remuneration was not in keeping with best practice. The current mix of remuneration is intended to be aligned with the strategic direction and needs of the Company. The Company is changing the remuneration structure to bring the mix of fixed and at-risk remuneration in line with market practice for similarly sized companies. The introduction of the formal STI plan and the extension of LTI plan to senior executives are the first stages of this evolution.

The following graphs summarise the CEO and other senior executives' remuneration mix for FY15.



* Average for senior executives who have transitioned to revised executive contracts

"STI" in the tables above corresponds to the relevant senior executive's maximum STI opportunity, not their STI outcomes for FY15.
"LTI" is based on the maximum LTI opportunity granted to senior executives in respect of FY15.

3C. Detail of remuneration elements and incentive plans

Fixed Annual Remuneration (FAR)

Details regarding FAR are set out below.

What is FAR?	FAR is comprised of salary and other benefits provided to a senior executive on an ongoing basis, such as superannuation contributions. Within the contracted FAR amount, there is flexibility for senior executives to take FAR in the form of benefits such as superannuation contributions, provision of motor vehicles and salary sacrifice benefits in accordance with relevant taxation office guidelines.
How is FAR determined?	FAR is reviewed on an annual basis. Executive contracts do not include any guaranteed FAR increases. When reviewing FAR for senior executives a number of factors are considered, including the individuals' skills and experience relevant to their roles, and internal and external factors. The Company's policy is to competitively position FAR with reference to Australian listed companies of a similar size and complexity to that of Cabcharge. In FY15, remuneration benchmarking was undertaken with reference to selected companies of a comparable size and complexity. FAR was adjusted to position senior executives in the bottom third of the second quartile (i.e. between the 25th and 50th percentile) for similar sized companies.

REMUNERATION REPORT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

STI

Details of the FY15 STI plan are disclosed below.

Purpose of the STI plan?	The STI plan provides senior executives with an opportunity to be rewarded for the achievement of Company, business unit and individual performance measures, further aligning their interests with the strategic priorities of the Company. The STI plan was introduced during FY15.
Who is eligible to participate?	MD/CEO and senior executives who have transitioned to new executive contracts (being Mr D'Arcy, Mr Overell and Mr Lucchese).
Performance period	Performance was measured over the full financial year, 1 July 2014 to 30 June 2015.
Maximum opportunity	The STI maximum opportunity is set as a percentage of FAR based on market benchmarking of remuneration mix: CEO: 37% of FAR Other executives: 26% of FAR
What are the STI performance measures?	STI awards vest subject to the achievement of KPIs by the relevant senior executive. The extent to which the award vests will depend on the extent to which the specific KPIs set for the financial year are met. The targets consist of a number of KPIs covering financial and non-financial measures of performance. Individual scorecards are set for each senior executive. STI awards for FY15 were based on performance against position-specific metrics, with Company-wide hurdles to be introduced in FY16. FY15 STI metrics focus on milestones that enabled senior executives to reposition the business for growth. As the strategy is further refined and measures of performance agreed, consistent Company-wide hurdles will be introduced. An overview of the measures for FY15 are:

Role	Scorecard and performance measures
CEO	• Operational capability (10%): successful integration of network technology and obtaining a commercial resolution with regulatory authorities. • Strategic capability (15%): strengthen and build management team, and successful linkage of bookings and payments. • Financial (30%): Group net profit after tax exceeding budget. • Strategic / transformation projects (45%): provide capability to process the first non-taxi industry client transaction on the Company's payment system switch and achieve organic fleet growth greater than 5% over performance period.
Other executives	• For FY15, KPIs are highly tailored for each senior executive having regard to their role, responsibility and specific strategic goals over which they may influence. • Financial (25%-50%) – financial KPIs may be numerical or non-numerical, but in each case are linked to the financial growth and profitability of the Company. Specific examples of KPIs used in FY15 include achieving fleet growth of >5% and bringing Yellow Cabs SA to profitability. • Non-financial (50%-75%) – non-financial KPIs are directly linked to achievement of the strategic projects which form part of the Company's transformation and change program. Specific examples of KPIs used in FY15 include providing the capability to process the first non-taxi industry client transaction on the Company's payment system switch and the successful integration of network technology.

The KPIs were selected for FY15 as they are directly linked to the strategic imperatives of the Company. More detail in relation to the achievements of the strategic imperatives for FY15 can be found on page 13 of this Annual Report. As Cabcharge undertakes its current transformation and change program, the Board and Corporate Governance Committee considered that it was important to set KPIs which reinforce and drive the achievement of key strategic goals, such as integration of Cabcharge network technology and the commercial resolution of regulatory matters.

As discussed above, the Company will move to the use of group-wide performance measures for STI in FY16, as the transformation and change program is concluded. This change is being adopted to establish consistent criteria for achievement which apply to all senior executives and to further enhance the transparency of Cabcharge's remuneration outcomes.

Testing of performance and delivery of awards	On an annual basis, the Corporate Governance Committee considers the CEO's performance against KPIs set for the year and provides a recommendation of the STI to be paid (if any) to the Board for approval. The Board may approve, amend or reject the recommendation. The CEO considers each executive's performance against KPIs set for the year and in consultation with the Corporate Governance Committee determines the STI to be paid (if any) to each executive. STI performance and the vesting of STI awards are approved by the Board on or around August in each year. To the extent that the performance measures have been met, STI awards are delivered as cash payments. Details regarding the STI outcomes for FY15, based on the achievement of the performance measures outlined above, are set out in section 4 of this Remuneration Report.
Does the plan provide for clawback?	Yes. Cabcharge has implemented a clawback approach, including allowing for the repayment of STI awards. Under the rules, cases involving fraud, dishonesty, gross misconduct, breach of obligations, or omissions that result in an STI award, which would not otherwise have been awarded, allow the Board to: • reset the performance conditions or alter the performance period; • consider any unpaid STI amount forfeit; and/or • require repayment of any paid STI amount, at its full discretion, subject to applicable laws.
Termination of employment	Where employment ends prior to the end of the performance period by reason of resignation, fraudulent or dishonest conduct, or termination for cause, including gross misconduct, the STI award will lapse at termination of employment and any potential entitlement to an STI award will be forfeited. Where employment ends for any other reason, a pro-rata portion of the STI award (based on the proportion of the performance period that has elapsed at the time of cessation) will be tested at the end of the original performance period. The pro rata portion of the STI award will vest or lapse based on the extent the relevant performance conditions have been satisfied at the time employment ends. The Board retains the discretion to vary the treatment set out above based on the specific circumstances surrounding the termination of employment.

LTI

Details of the FY15 LTI plan are disclosed below.

Purpose of the LTI plan?	FY15 was the first year the LTI Plan operated and the CEO and senior executives of the Company have been invited to participate. The implementation of the LTI Plan reflects our commitment to: improving alignment of senior executive interests to those of our shareholders; responding positively to shareholder feedback; and, incorporating best market practice. The LTI grant is offered to senior executives as a performance incentive, providing them with an opportunity to share in the long-term growth of Cabcharge and enhancing their alignment with the long-term interests of the Company's shareholders.
Who is eligible to participate?	LTI awards are made to the CEO and senior executives who are able to have a positive impact on the Company's performance against the relevant long-term performance measures. In FY15, the Company offered LTI awards to the CEO and 3 other senior executives (being Mr D'Arcy, Mr Overell and Mr Lucchese).
Form of LTI awards and performance period	LTI awards are delivered in the form of rights which are granted to senior executives for nil consideration. LTI awards are granted annually and are subject to a four-year performance period. The performance period for the FY15 LTI commenced on 1 July 2014 and will end on 30 June 2018. Rights will vest at the end of the performance period, subject to the satisfaction of the performance measures set out below. There is no retesting of performance. On vesting, each right converts into one ordinary share (or if determined by the Board into the Cash Equivalent Value). Any rights which do not vest immediately lapse. Subject to the satisfaction of relevant performance measures, the first award under the plan will vest in early FY19.
Maximum LTI opportunity and number of rights granted	The maximum LTI opportunity as a proportion of total remuneration is as follows: • CEO: 15.9% of total remuneration • Other executives: on average 21.3% of total remuneration The number of rights granted to each senior executive is determined by dividing their maximum LTI opportunity by the face value of Cabcharge shares at the time of award (determined using the 5-day volume weighted average price immediately preceding the performance period). No discount is made for dividends foregone nor for performance or other considerations.

REMUNERATION REPORT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

What were the LTI performance measures for the FY15 award?

The FY15 award is split into two tranches, each subject to a separate performance measure:

- Tranche one (67% of the total LTI award) will vest subject to the achievement of absolute total shareholder return benchmarks by the Company (TSR Hurdle); and
- Tranche two (33% of the total LTI award) will vest subject to the achievement of turnover compound annual growth targets by the Company (Strategic Hurdle).

These measures are considered challenging and were chosen as they reflect the Company's focus on increasing shareholder value and the importance of growing the Company's fee revenue to support its current transformation and change program.

Further details regarding the performance measures applicable to the FY15 award are set out below.

Tranche one: Absolute Total Shareholder Return (TSR) – 67% of the FY15 award

The TSR Hurdle measures the change in the Company's share price, including dividends paid, over the performance period. The absolute TSR performance target is set at a level above average long-term market returns to ensure vesting will occur only if our shareholders experience superior returns.

Absolute TSR was selected as an LTI performance measure for the following reasons:

- TSR ensures any reward for senior executives is possible only if our shareholders experience superior returns;
- The measure minimises the effects of market cycles that might create large fluctuations in peer group company performance when a relative TSR measure is used; and
- Relative TSR measures have limited relevance to the Company given that there are few companies suitable as direct comparators to Cabcharge. Comparing Cabcharge to a broader index may result in outcomes not reflective of the Company's performance over the period or the value delivered to our shareholders.

TSR performance will be monitored by an independent external adviser at 30 June each year.

At the end of the performance period, vesting of tranche one will be determined in accordance with the following schedule.

Absolute TSR (67% of the total grant value)

Performance outcome	% of award that will vest
Less than 9% return p.a.	0%
Equal to 9% return p.a.	50%
Between 9% return p.a. and less than 11% return p.a.	Straight-line vesting between 50% and 100% of the award
11% return p.a. or more	100%

What were the LTI performance measures for the FY15 award? continued	**Tranche two: Turnover Compound Annual Growth – 33% of the FY15 award** Tranche two is subject to the achievement of a Strategic Hurdle based on the achievement of turnover compound annual growth milestones by the Company. Turnover compound annual growth is an internal performance measure used by Cabcharge. It is calculated using the value of taxi hire charges processed through the 'Cabcharge Payment System' and any net service fees (being the fees charged to accountholders by Cabcharge for the use of its platform). Turnover compound annual growth was selected in light of the importance of fostering growth to support the Company's transformation and change program. Growth in the value of taxi hire charges and new services fees is critical to the Company and is expected to be key to the achievement of consistent returns by the Company over the performance period. With the entry of new competitors into the market and in the face of recent regulatory change, turnover growth is a strategically critical measure that reflects our market share, and therefore continued value delivery to our shareholders. Achievement against the performance measure will be determined by the Board based on the turnover compound annual growth of the Company over the four year performance period. The Board considers these measurements to be representative of strong performance, and that, if achieved, they will ensure that Cabcharge is well positioned to retain its market share in light of the increasingly competitive industry in which it operates. At the end of the performance period, vesting of tranche two will be determined by the Board in accordance with the following schedule.

Turnover compound annual growth (33% of the total grant value)

Performance outcome	% of award that will vest
Below the threshold of CPI (at 30 June 2015) or 3% (whichever is higher)	0%
Equal to CPI (at 30 June 2015) or 3% (whichever is higher)	50%
Above CPI (at 30 June 2015) or 3% (whichever is higher) and below CPI + 2% (at 30 June 2015) or 5%, (whichever is higher)	Straight-line vesting between 50% and 100% of the award
At or above the CPI + 2% (at 30 June 2015) or 5%, (whichever is higher)	100%

Termination of employment	Where employment ends prior to vesting of LTI awards by reason of resignation, fraudulent or dishonest conduct, or termination for cause (including gross misconduct), all unvested rights will lapse at termination of employment and any potential entitlement will be forfeited. Where employment ends for any other reason, a pro-rata portion of the unvested LTI award (based on the proportion of the performance period that has elapsed at the time of cessation) will be tested at the end of the original performance period. The pro rata portion of the LTI award will vest or lapse based on the extent the relevant performance conditions have been satisfied at the time employment ends. The Board retains discretion to vary the treatment set out above based on the specific circumstances surrounding the termination of employment.
Does the plan provide for clawback	Yes. Cabcharge has implemented a clawback approach, including allowing for the lapsing and/or clawback of LTI awards. Under the rules, cases involving fraud, dishonesty, gross misconduct, breach of obligations, or omissions that result in an LTI award, which would not otherwise have been awarded, allow the Board to: • reset the performance conditions or alter the performance period; • consider any unvested LTI award lapsed; and/or • require forfeiture of any vested LTI award, at its full discretion, subject to applicable laws.
Change of control provisions	Where a change of control event occurs, the Board has discretion to determine whether unvested LTI awards should vest, lapse or become subject to different vesting conditions. In making such a determination, the Board may have regard to any factors considered relevant, including the performance period elapsed at the time of the event, the extent to which the vesting conditions have been satisfied at the time of the event and the circumstances of the event.

REMUNERATION REPORT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

4. EXECUTIVE REMUNERATION OUTCOMES

Snapshot of Company performance

Table 3: Performance outcomes for the last five years

	FY15	FY14	FY13	FY12	FY11
Profit after tax ($m)	46.5	56.1	60.6	60.0	46.1
EBITDA – excluding share of profit of associates ($m)	65.6	73.8	79.8	80.3	68.4
Dividends paid ($m)	24.1	32.5	43.4	44.6	32.5
Closing share price at 30 June ($)	3.66	4.04	4.03	5.00	5.15[1]
Annual turnover[1] through Cabcharge Payment System ($m)	1,194	1,119	1,058	1,051	1,033

1. Turnover through Cabcharge payment system comprises total taxi fare processed and the service fee.

STI performance and outcomes

Performance against the individual senior executive KPIs was assessed by the CEO in consultation with the Corporate Governance Committee and, for the CEO's own performance, by the Corporate Governance Committee directly. STI outcomes were approved by the Board in August 2015. The scorecard for each executive consists of a mix of financial and non-financial performance measures tailored to reflect specific strategic goals. These performance measures may be comprised of operational capability, strategic capability, financial performance or achievement of strategic/transformation projects.

The individual STI outcomes for each senior executive are described in the table below.

Table 4: FY15 STI award outcomes

Senior executive[1]	Maximum FY15 STI opportunity[2]	FY15 STI paid	% of maximum STI opportunity achieved	% of maximum STI opportunity forfeited
Mr Andrew Skelton	$250,000	$200,000	80%	20%
Mr John D'Arcy	$100,000	$85,000	85%	15%
Mr Stuart Overell	$75,000	$60,000	80%	20%
Mr Adrian Lucchese[3]	$50,000	$37,500	75%	25%

1. Mr Chip Beng Yeoh, Mr Fred Lukabyo and Mr Rob Roozendaal did not participate in the FY15 STI plan.
2. The minimum FY15 STI value is nil.
3. Mr Lucchese's performance was measured over the period from 20 October 2014 to 30 June 2015, being the period he was a member of KMP.

Company performance and its link to LTI

The FY15 LTI grant is the first grant under the new executive LTI plan. The performance measures for this grant will be assessed at the end of the four year performance period, that is in early FY19.

The current performance of the Company for FY15 is described in table 3 above.

Table 5: Executive Remuneration in FY15 (Statutory)

		Short-term benefits			Post-employment benefits		LTI Plan Outcomes			
		Salary and fees $	STI $	Non-cash benefits[2] $	Super-annuation contributions $	Termination benefits $	Other long-term employee benefits[2] $	Share-based payments expense $	Value of rights vested[3] $	Total $
Mr Andrew Skelton	2015	656,216	200,000	32,053	18,783	–	12,957	23,448	–	943,457
	2014	515,899	25,000	38,030	18,116	–	90,074	–	–	687,119
Mr John D'Arcy	2015	332,511	80,000	8,392	4,335	–	–	18,024	–	443,262
	2014	339,700	–	–	–	–	–	–	–	339,700
Mr Fred Lukabyo	2015	393,236	–	43,407	18,764	–	7,618	–	–	463,025
	2014	384,731	18,692	42,664	17,661	–	7,310	–	–	471,058
Mr Stuart Overell	2015	297,877	63,750	39,425	19,125	–	19,698	18,024	–	457,899
	2014	215,053	9,346	26,981	17,661	–	6,706	–	–	275,747
Mr Adrian Lucchese	2015	189,280	37,500	16,082	12,643	–	–	18,024	–	273,529
	2014	–	–	–	–	–	–	–	–	–
Mr Chip Beng Yeoh	2015	444,801	–	19,995	25,198	–	20,198	–	–	510,192
	2014	445,814	20,000	–	24,209	–	22,395	–	–	512,418
Mr Rob Roozendaal[1]	2015	91,750	–	908	12,096	–	1,740	–	–	106,494
	2014	257,925	5,607	14,895	25,838	–	–	–	–	304,265
Total	**2015**	**2,405,671**	**381,250**	**160,262**	**110,944**	**–**	**62,211**	**77,520**	**–**	**3,197,858**
	2014	**2,519,122**	**78,645**	**122,570**	**103,485**	**–**	**126,485**	**–**	**–**	**2,950,307**

1. Mr Rob Roozendaal ceased to be a member of the Company's KMP on 31 October 2014.
2. Accruals for annual leave are disclosed as non-cash benefits. Other long-term benefits represent provisions for long service leave.
3. LTI awards did not vest in FY15.

5. EXECUTIVE CONTRACTS

Remuneration arrangements for executives are formalised in employment agreements. During FY15 the Company undertook a process of standardising and implementing contemporary executive service agreements, terms and conditions.

Table 6: Executive contractual terms

Executive	Contract term	Notice Period
CEO	Ongoing	Executive: 12 months Company: 12 months
Other executives	Ongoing	Executive: 6 months Company: 6 months

The Board has the discretion to make payment in lieu of notice. On cessation of employment, the default treatment for unvested STI and LTI awards is that a pro-rata portion of the unvested awards (based on the portion of the performance period which has elapsed) will be tested on the usual vesting date. This does not apply in relation to resignation by the senior executive, termination of employment for fraudulent or dishonest conduct, or termination for cause, whereby all unvested STI and LTI lapse at termination of employment.

The Board has discretion to apply another treatment on termination of employment if it deems it appropriate. Ordinarily, the Board would only exercise this discretion in extraordinary circumstances, such as where the typical treatments would result in an unfair outcome for the senior executive.

Arrangements applicable to outgoing CFO

Mr Chip Beng Yeoh stepped down from the role of CFO and ceased to be a member of KMP on 30 June 2015.

Mr Chip Beng Yeoh will remain employed by the Company for an interim period in order to ensure an orderly and smooth transition of the CFO function. No termination payment has been provided to Mr Yeoh as he remains in employment with the Company. On ceasing employment with the Company, Mr Yeoh will be paid his statutory and contractual entitlements which include a six months' notice period.

Changes to management team

During FY15, the CEO led a restructure of the Company's management, with the goal of strengthening and building the management team around the Company's key business priorities. As part of these changes, Mr Roozendaal ceased to be a member of KMP on 31 October 2014. No termination payment was provided to Mr Roozendaal for ceasing to be a member of KMP. Mr Roozendaal left the company in June 2015 at which time he was paid his statutory and contractual entitlements which include a 6 month notice period.

REMUNERATION REPORT CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

6. NON-EXECUTIVE DIRECTOR (NED) FEE ARRANGEMENTS

Board and Committee fees

Shareholders determine the maximum fee pool available for the payment of directors. When recommending a maximum fee pool to shareholders for approval, the Board considers the fees required to allow the Company to attract and retain directors of the highest calibre, whilst incurring a cost acceptable to shareholders.

The current aggregate NED fee pool is $1,300,000 per year, approved by shareholders on 26 November 2014. The fee pool is inclusive of statutory entitlements (including superannuation).

NED fees consist of Board fees and committee fees. The payment of additional fees for serving on a committee recognises the additional time commitment required by NEDs. The Chairman of the Board is not eligible for additional fees for serving on committees.

Fees in FY15

In light of the challenges to shareholder returns experienced in the taxi sector during FY15, there was no increases in Board or Committee fees in FY15. The Board has decided not to increase Board or committee fees in FY16.

The table below summarises NED fees payable in respect of FY15:

Table 7: Cabcharge Board fees for the year ended 30 June 2015

	Chairman	Member
Board	$220,000	$100,000
Audit & Risk Committee	$20,000	$11,000
Corporate Governance Committee	$16,000	$11,000
Marketing Committee	–	$5,000

The Board and committee fees outlined above include statutory superannuation contributions.

NEDs do not receive retirement benefits other than statutory superannuation, nor do they participate in any incentive programs.

Statutory disclosure in respect of NED remuneration

The following table includes statutory disclosure relating to NED remuneration in FY15 and FY14.

Table 8: Statutory disclosure – NED fees

		Short-term benefits	Post-employment benefits	
		Salary and fees ($)	Superannuation contributions ($)	Total ($)
Russell Balding	2015	201,217	18,783	220,000
	2014	116,905	10,547	127,452
Neill Ford	2015	110,502	10,498	121,000
	2014	111,009	9,991	121,000
Richard Millen	2015	80,800	36,977	117,777
	2014	7,627	706	8,333
Rod Gilmour[1]	2015	36,113	6,357	42,470
	2014	7,627	706	8,333
Ian Armstrong[2]	2015	27,157	12,842	39,999
	2014	85,191	34,807	119,998
Philip Franet[3]	2015	9,284	882	10,166
	2014	111,926	10,073	121,999
Donnald McMichael	2015	113,119	10,700	123,819
	2014	106,422	9,578	116,000
Total fees for NEDs	**2015**	**589,191**	**97,039**	**686,230**
	2014	**546,707**	**76,407**	**623,114**

1. Mr Rod Gilmour resigned as director on 25 November 2014.
2. Mr Ian Armstrong retired as director on 31 October 2014
3. Mr Philip Franet ceased to be a director on 3 August 2014.

7. ADDITIONAL DISCLOSURES RELATING TO SHARE CAPITAL

The relevant interest of each KMP in the share capital of the Company for the year to 30 June 2015 is detailed in table 9 below.

Table 9: Shareholdings of KMP

	Balance 1 July 2014		Granted as remuneration		Net change other		Net change other	
Balance 30 June 2015	Direct interest shares	Indirect interest shares	Direct interest shares	Indirect interest shares	Direct interest shares	Indirect interest shares	Direct interest shares	Indirect interest shares
Reginald Kermode, AM MBE (to 30 April 2014)	100,000	–	–	–	(90,000)	–	10,000	–
Ian Armstrong (to 31 October 2014)	250,000	–	–	–	(16,788)	–	233,212	
Russell Balding	–	–	–	–	15,000	–	15,000	–
Rodney Gilmour (to 25 November 2014)[1]	5,000	3,000	–	–	(5,000)	–	–	3,000
Donnald McMichael[2]	500	15,530	–	–	–	–	500	15,530
Andrew Skelton	6,861	–	–	–	–	–	6,861	–
Fred Lukabyo	2,450	–	–	–	–	–	2,450	–
Rob Roozendaal (to 18 June 2015)	2,353	–	–	–	–	–	2,353	–
Total	**367,164**	**18,530**	**–**	**–**	**(96,788)**	**–**	**270,376**	**18,530**

1. 3,000 fully paid ordinary shares held by Bond Street Custodians Ltd.
2. 12,500 fully paid ordinary shares held by Gracious Investments Pty Ltd atf Donren Holdings Superannuation Fund and 3,030 CABSRU (a self-funding instalment warrant issued by RBS) held by Gracious Investments Pty Ltd atf Donren Holdings Superannuation Fund.

No share options were granted during the year and to the date of this report, and there were no options outstanding at the end of the financial year.

Performance rights

The table below details the performance rights granted to KMP as part of their remuneration. All rights granted relate to the LTI plan.

Table 10: Performance rights granted as part of remuneration to the Company executives

Senior executive[1]	Balance at 1 July 2014	Granted as remuneration[2]	Value of rights granted	Net other change	Vested	Value of rights vested	Lapsed	Balance at 30 June 2015
Andrew Skelton		43,063	175,000					43,036
Adrian Lucchese		24,570	100,000					24,570
Stuart Overell		24,570	100,000					24,570
John D'Arcy		24,750	100,000					24,570

1. No other members of the Company's KMP received performance rights (or options) as part of their remuneration in FY15.
2. For performance rights granted to Andrew Skelton on 17 December 2014, the fair value for the tranche subject to the TSR Hurdle is $1.56, and the fair value for the tranche subject to the Strategic Hurdle is $3.43. For performance rights granted to Stuart Overell, John D'Arcy and Adrian Lucchese on 20 May 2015, the fair value for the tranche subject to the TSR Hurdle is $2.30, and the fair value for the tranche subject to the Strategic Hurdle is $4.21. The fair value of each tranche of performance rights has been calculated by an independent advisor as at the date of grant, using a Monte Carlo simulation analysis for the tranches subject to the TSR Hurdle and a binomial tree methodology for tranches subject to the Strategic Hurdle. No price is payable on acquisition of these rights, and there is no exercise price or expiry date. Subject to the achievement of relevant performance conditions, these rights would be expected to vest on 14 September 2018.

8. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

Loans to KMP and their related parties

No loans were made to KMP or any of their related parties.

Other transactions and balances with KMP and their related parties

There were no transactions between the Group and any KMP (or their related parties) other than those within the normal employee, customer or supplier relationship on terms no more favourable than arms' length.

AUDITOR'S INDEPENDENCE DECLARATION

FOR THE YEAR ENDED 30 JUNE 2015

KPMG

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

To: the directors of Cabcharge Australia Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2015 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Julie Cleary
Partner

Sydney

28 September 2015

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FOR THE YEAR ENDED 30 JUNE 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 $'000	2014 $'000
Revenue	5	187,963	197,253
Other income		54	35
Processing fees to taxi networks		(14,486)	(18,689)
Costs of members taxi related services		(35,829)	(36,407)
Employee benefits expenses		(38,224)	(37,251)
General and administrative expenses		(14,041)	(12,651)
Transaction processing expenses		(4,624)	(3,821)
Depreciation and amortisation	6	(13,428)	(12,632)
Impairment charge on investments in associates	11	(10,271)	(9,700)
Other expenses		(4,945)	(4,959)
Results from operating activities		**52,169**	**61,178**
Finance income		1,483	1,593
Finance costs		(7,050)	(7,857)
Net finance costs		**(5,567)**	**(6,264)**
Share of profit of equity accounted investees (net of income tax)	11	16,662	20,654
Profit before income tax		**63,264**	**75,568**
Income tax expense	7	(16,716)	(19,449)
Profit for the year attributable to owners of the Company		**46,548**	**56,119**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Share of associates' foreign exchange translation differences, net of tax		3,094	3,186
Effective portion of change in fair value of cash flow hedge		(92)	(634)
Net change in fair value of available-for-sale financial assets		1,813	1,157
Net change in fair value of available-for-sale financial assets transferred to profit or loss		(128)	–
Income tax on other comprehensive income		(478)	(157)
Other comprehensive income for the year, net of income tax		**4,209**	**3,552**
Total comprehensive income for the year attributable to owners of the Company		**50,757**	**59,671**
Earnings per share			
Basic earnings per share (AUD)	22	38.7 cents	46.6 cents
Diluted earnings per share (AUD)	22	38.7 cents	46.6 cents

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the Notes to the Consolidated Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES
AS AT 30 JUNE 2015

	Notes	2015 $'000	2014 $'000
CURRENT ASSETS			
Cash and cash equivalents	29	23,856	41,856
Trade and other receivables	8	69,086	65,257
Inventories	9	4,098	2,922
Other current assets		3,665	2,953
TOTAL CURRENT ASSETS		**100,705**	**112,988**
NON-CURRENT ASSETS			
Trade and other receivables	8	7,344	8,819
Advances to associates	25	18,812	18,812
Financial assets	10	7,911	6,260
Investments in associates accounted for using the equity method	11	284,292	274,807
Property, plant and equipment	12	39,025	38,265
Net deferred tax assets	13	3,630	4,351
Taxi plate licences	14	70,920	71,383
Goodwill	15	15,032	15,032
Intellectual property	16	9,131	9,617
TOTAL NON-CURRENT ASSETS		**456,097**	**447,346**
TOTAL ASSETS		**556,802**	**560,334**
CURRENT LIABILITIES			
Trade and other payables	17	28,005	22,335
Loans and borrowings	18	5,199	10,065
Interest rate swaps		985	894
Current tax liabilities		1,453	6,319
Employee benefits	19	4,298	4,596
TOTAL CURRENT LIABILITIES		**39,940**	**44,209**
NON-CURRENT LIABILITIES			
Loans and borrowings	18	123,000	149,000
Employee benefits	19	827	839
TOTAL NON-CURRENT LIABILITIES		**123,827**	**149,839**
TOTAL LIABILITIES		**163,767**	**194,048**
NET ASSETS		**393,035**	**366,286**
EQUITY			
Share capital	20	138,325	138,325
Reserves	20	768	(3,519)
Retained earnings		253,942	231,480
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF CABCHARGE AUSTRALIA LIMITED		**393,035**	**366,286**

The Consolidated Statement of Financial Position is to be read in conjunction with the Notes to the Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS

CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 $'000	2014 $'000
Cash flows from operating activities			
Receipts from customers and others		1,324,138	1,249,720
Payments to suppliers, licencees and employees		(1,247,198)	(1,167,526)
Dividends received		316	1,172
Interest received		1,482	1,394
Finance costs paid		(7,373)	(7,334)
Income tax paid		(21,352)	(19,579)
Net cash provided by operating activities	29	**50,013**	**57,847**
Cash flows from investing activities			
Purchase of property, plant and equipment		(11,558)	(3,954)
Payments for development of intellectual property		(2,136)	(2,816)
Payments for other investments		(100)	–
Purchase of taxi licence plates		–	(392)
Advances to associates		(7,840)	–
Repayment from associates		7,840	17,970
Proceeds from sale of investments		275	–
Proceeds from sale of property, plant and equipment		458	142
Net cash (used in) provided by investing activities		**(13,061)**	**10,950**
Cash flows from financing activities			
Proceeds from borrowings		10,102	39,511
Repayment of borrowings		(40,968)	(77,851)
Dividends paid	21	(24,086)	(32,516)
Net cash (used in) financing activities		**(54,952)**	**(70,856)**
Net increase (decrease) in cash and cash equivalents		(18,000)	(2,059)
Cash and cash equivalents at 1 July		41,856	43,915
Cash and cash equivalents at 30 June	29	**23,856**	**41,856**

The Consolidated Statement of Cash Flows is to be read in conjunction with the Notes to the Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Share capital $'000	Reserves $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2013		**138,325**	**(7,071)**	**207,877**	**339,131**
Total comprehensive income for the year					
Profit for the year		–	–	56,119	56,119
Other comprehensive income					
Share of associates' foreign exchange translation differences, net of tax		–	3,186	–	3,186
Effective portion of change in fair value of cash flow hedge, net of tax		–	(444)	–	(444)
Net change in fair value of available-for-sale financial assets, net of tax		–	810	–	810
Total other comprehensive income		–	3,552	–	3,552
Total comprehensive income for the year		–	3,552	56,119	59,671
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Dividends to equity holders	21	–	–	(32,516)	(32,516)
Total contributions by and distributions to owners		–	–	(32,516)	(32,516)
Total transactions with owners		–	–	(32,516)	(32,516)
Balance at 30 June 2014		**138,325**	**(3,519)**	**231,480**	**366,286**
Balance at 1 July 2014		**138,325**	**(3,519)**	**231,480**	**366,286**
Total comprehensive income for the year					
Profit for the year		–	–	46,548	46,548
Other comprehensive income					–
Share of associates' foreign exchange translation differences, net of tax		–	3,094	–	3,094
Effective portion of change in fair value of cash flow hedge, net of tax		–	(64)	–	(64)
Net change in fair value of available-for-sale financial assets, net of tax		–	1,269	–	1,269
Net change in fair value of available-for-sale financial assets transferred to profit or loss, net of tax		–	(90)	–	(90)
Total other comprehensive income		–	4,209	–	4,209
Total comprehensive income for the year		–	4,209	46,548	50,757
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Share-based payments		–	78	–	78
Dividends to equity holders	21	–	–	(24,086)	(24,086)
Total contributions by and distributions to owners		–	78	(24,086)	(24,008)
Total transactions with owners		–	78	(24,086)	(24,008)
Balance at 30 June 2015		**138,325**	**768**	**253,942**	**393,035**

The Consolidated Statement of Changes in Equity is to be read in conjunction with the Notes to the Consolidated Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

1. REPORTING ENTITY

Cabcharge Australia Limited (the "Company") is a company domiciled in Australia. The address of the Company's registered office is 152-162 Riley Street, East Sydney. The Consolidated Financial Statements of the Group as at and for the year ended 30 June 2015 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates. The Group is a for-profit entity and primarily is involved in taxi related services and route, school and charter bus services (through its interest in an associate), see Note 31.

2. BASIS OF PREPARATION

a) Statement of compliance

The Consolidated Financial Statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The Consolidated Financial Statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The Consolidated Financial Statements were authorised for issue by the Board on 28 September 2015.

b) Basis of measurement

The Consolidated Financial Statements have been prepared on the historical cost basis except for available-for-sale financial assets (listed entities) and derivative financial instruments, which are measured at fair value.

The methods used to measure fair values are discussed further in Note 4.

c) Functional and presentation currency

These Consolidated Financial Statements are presented in Australian dollars, which is the Company's functional currency and the functional currency of the majority of the Group entities.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

d) Use of estimates and judgements

The preparation of Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the Consolidated Financial Statements are described in the following notes:

Note 3e – impairment of assets

Note 3i – revenue

Notes 11d, 14b and 15 – measurement of the recoverable amounts of cash-generating units

e) Changes in accounting policies

Except as described below, the accounting policies applied by the Group in its Consolidated Financial Statements are the same as those applied by the Group in its Consolidated Financial Statements as at and for the year ended 30 June 2015. The Group has applied the following standards and amendments, including any consequential amendments to other standards for the first time for the annual reporting period commencing 1 July 2014:

- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities
- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting
- AASB 2014-1 Part A: Annual improvements 2010-2012 and 2011-2013 cycles
- AASB 2014-1 Part B: Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)
- ASX Corporate Governance Principles and Recommendations

As a result of adopting the new accounting standards and amendments the Group has made various changes to accounting policies which have had no material impact on the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these Consolidated Financial Statements and have been applied consistently by Group entities.

a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has exposure or rights to variable returns from its investment with an entity and has the power to affect those returns. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

A list of controlled entities is contained in Note 27 to the Consolidated Financial Statements.

(ii) Associates (equity accounted investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Investments in associates are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The Consolidated Financial Statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

The financial statements or management accounts of associates are used by the Group to apply the equity method. Reporting dates of the associate vary from that of the Group, but management accounts for the period to the Group's balance date are used for equity accounting.

Where there has been a change recognised directly in an associate's other comprehensive income, the Group recognises its share of any changes and discloses this in Other Comprehensive Income in the Consolidated Statement of Comprehensive Income.

(iii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the Consolidated Financial Statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Gains and losses are recognised when the contributed assets are consumed or sold by the equity accounted investees or, if not consumed or sold by the equity accounted investee, when the Group's interest in such entities is disposed of.

(iv) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

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

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

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

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

b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

(ii) Foreign operations

The income and expenses of foreign operations are translated to Australian dollars at average exchange rates in the month of the transactions.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity (FCTR).

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in other comprehensive income and presented in the FCTR in equity (refer Note 20e).

c) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in, first-out basis and include direct materials and the cost of purchase. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

d) Intangible assets

(i) Taxi plate licences

Taxi and other licences acquired separately are reported at cost less accumulated amortisation and impairment losses. Taxi and other licences with finite useful lives are amortised on a straight-line basis over their estimated useful lives between 10 to 50 years in current and comparative periods depending on the licence. Taxi and other licences with indefinite useful lives are not amortised. Such assets are tested for impairment in accordance with the policy in Note 3e below.

(ii) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination primarily relating to customer contracts, trademarks and brand names are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Trademarks and brand names are considered to have indefinite useful lives and such assets are tested for impairment in accordance with the policy in Note 3e below.

Subsequent to initial recognition, other intangible assets acquired in a business combination are reported at cost less accumulated amortisation and impairment losses and amortised on a straight-line basis over their estimated useful lives between 10 to 50 years in current and comparative periods.

(iii) Goodwill

Goodwill arising on the acquisition of a subsidiary is included in intangible assets. For the measurement of goodwill at initial recognition, see Note 3(a)(iv). Goodwill is subsequently measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment.

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 the carrying amount of the unit, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

d) Intangible assets continued

(iv) Research and development costs

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, borrowing and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss when incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses and amortised on a straight-line basis over their estimated useful lives between 4 to 6 years in current and comparative periods.

e) Impairment of assets

Non-financial assets

At each balance date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives (including goodwill) are tested for impairment annually, and whenever there is any indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

f) Leases

As lessor

When the Group is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of an asset to the lessee, the arrangement is classified as a finance lease and a receivable equal to the net investment in the lease is recognised and presented within trade and other receivables. Interest earned on finance leases is recognised as other revenue on a basis reflecting a constant periodic return based on the lessor's net investment outstanding in respect of the finance lease.

As lessee

Leases of fixed assets where substantially all the risks and rewards of ownership of the asset are transferred to entities in the Group are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Lease payments made under finance leases are apportioned between the reduction of the lease liability and finance expense. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Other leases are operating leases and are not recognised on the Group's Consolidated Statement of Financial Position.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expense on a straight-line basis over the term of the lease.

g) Finance income and expense

Finance income comprises interest income on funds invested (including available-for-sale financial assets), foreign currency gains, gains on the disposal of available-for-sale financial assets, gains on hedging instruments that are recognised in profit or loss and reclassifications of amounts previously recognised in other comprehensive income. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, foreign currency losses, impairment losses recognised on financial assets, losses on hedging instruments that are recognised in profit or loss and reclassifications of amounts previously recognised in other comprehensive income. All borrowing costs are recognised in profit or loss using the effective interest method.

h) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income/other expense in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Depreciation

Items of property (excluding freehold land), plant and equipment are depreciated at rates based upon their expected useful lives using the straight-line method. Leased assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives of each major class of asset for the current and comparative periods are:

Buildings	40 to 99 years
Furniture, fittings, plant and equipment	3 to 8 years
EFTPOS Equipment	4 to 6 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

i) Revenue

Taxi service fee income is derived from taxi payments processed through the Cabcharge Payment System and is disclosed net of Goods and Services Tax (GST) and third party credit card fees. As the Group acts in the capacity of an agent the revenue represents only the fee received on the transaction although the Group is exposed to credit risk on the full amount of the proceeds received from the ultimate customer. Taxi service fee income is recognised at the time the payment is processed and billed.

Members taxi related services consist of taxi depot and leasing fees billed every 28 days in advance. Revenue is recognised on a straight-line basis over the period the services are provided. Operating revenue receipts relating to the period beyond the current financial year are shown in the Consolidated Statement of Financial Position as unearned revenue under the heading of Current liabilities – Trade and other payables.

Dividend revenue is recognised when the right to a dividend has been established. Dividends received from associates are accounted for in accordance with the equity method of accounting.

Rental income from property is recognised in profit or loss on a straight-line basis over the term of the lease.

j) Total turnover

Total turnover does not represent revenue in accordance with Australian Accounting Standards. Total turnover represents the value of taxi hire charges (fares) paid through the Cabcharge Payment System plus Cabcharge's taxi service fee plus the Group's revenue from other sources. Revenue in accordance with Australian Accounting Standards is discussed at Note 3(i). Cabcharge's credit risk is based on turnover rather than revenue. Taxi hire charges are GST inclusive since the GST is embedded in taxis' metered fares and liability for the GST rests with the taxi driver.

Payment of fares through the Cabcharge Payment System involves payment for a taxi service through a Cabcharge card, docket or e-ticket, payment through bank-issued cards (such as credit cards and bank debit cards), and payment through third-party cards (such as American Express and Diners Club).

k) Employee benefits

Wages, salaries and annual leave

Liabilities for employee benefits for wages, salaries and annual leave represent the present obligations resulting from employees' services provided up to reporting date. The provisions have been calculated at undiscounted amounts based on expected wage and salary rates that the Group expects to pay as at reporting date and include related on-costs, such as workers' compensation insurance and payroll tax. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long service leave

The provision for employee benefits for long service leave represents the present value of the estimated future cash outflows to be made by the Group resulting from employees' services provided up to the reporting date. The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to corporate bonds at reporting date which most closely match the terms of maturity of the related liabilities.

Superannuation plans

The Group contributes to defined contribution superannuation funds for the benefit of employees or their dependants on retirement, resignation, disablement or death. The Group contributes a percentage of individual employees' gross income and employees may make additional contributions on a voluntary basis. Obligations for contributions to defined contribution superannuation funds are recognised as an employee benefits expense in profit or loss in the periods during which services are rendered by employees.

Long Term Incentives (LTI)

The Group has provided LTI awards to the CEO and other executives and granted them annually in the form of Rights. The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

Details of the operation of LTI awards are outlined in the Directors' Report from page 47 to 49.

l) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, or temporary differences relating to investments in subsidiaries and associates to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

l) Income tax continued

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

The Company and its wholly-owned Australian resident entities have formed a tax consolidated group and are therefore taxed as a single entity. The head entity within the tax consolidated group is Cabcharge Australia Limited.

m) Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit attributable to equity holders for the reporting period by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit attributable to equity holders for the reporting period by the weighted average number of ordinary shares outstanding including dilutive potential ordinary shares.

n) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

o) Non-derivative financial instruments

The Group classifies non-derivative financial instruments into the following categories: loans and receivables, available-for-sale financial assets and financial liabilities.

Recognition and derecognition

Non-derivative financial instruments are initially measured at fair value, which includes directly attributable transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Loans and receivables

This category includes trade and other receivables and cash and cash equivalents.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Consolidated Statement of Cash Flows.

Trade receivables are recognised initially the value of the invoice sent to the customer and subsequently at the amounts considered recoverable (amortised cost). The carrying value of cash and trade and other receivables is considered to approximate fair value.

Available-for-sale financial assets

Available-for-sale financial assets include the Group's investments in listed and unlisted equity securities. Available-for-sale financial assets for listed securities are recognised initially and subsequently at fair value. Unrealised gains and losses arising from changes in fair value other than impairment losses and foreign exchange gains and losses on those assets are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss. Available-for-sale financial assets for non-listed securities are recognised initially and subsequently at cost as the fair value of these securities cannot be measured reliably. The carrying amount of available-for-sale financial assets is considered to approximate fair value.

Financial liabilities

This category includes trade and other payables and loans and borrowings.

Trade and other payables are recognised at the fair value of the invoice received from the supplier. The carrying value of trade and other payables is considered to approximate fair value.

Loans and borrowings are recognised initially at fair value, being the consideration received, less directly attributable transaction costs, with subsequent measurement at amortised cost using the effective interest rate method.

p) Share capital and reserves

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Dividends

Dividends are recognised as a liability in the period in which they are declared.

Reserves

Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations as well as from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investment is derecognised or impaired.

Employee Compensation Reserve

The fair value of LTI plans granted is recognised in the employee compensation reserve over the vesting period.

q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated Statement of Financial Position.

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

r) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

s) Derivative financial instruments, including hedge accounting

The Group holds derivative financial instruments to hedge its interest rate risk exposures.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategies in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group assesses, both at the inception of the hedge relationship and on an ongoing basis, whether the hedging instruments are expected to be highly effective in offsetting the changes in the cash flows of the respective hedged item attributable to the hedged risk, and whether the actual results of each hedge are within a range of between 80 to 125 percent.

Derivatives are recognised initially at fair value, attributable transaction costs are recognised in profit or loss as incurred. Subsequently, derivatives are measured at fair value. The effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires, or is terminated, then hedge accounting is discontinued prospectively.

t) New standards and interpretations not yet adopted

A number of new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting period and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below:

AASB 9 Financial Instruments

AASB 9, published in July 2014, replaces the existing guidance in AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from AASB 139.

AASB 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 Revenue and AASB 111 Construction Contracts. AASB 15 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted.

The application of AASB 9 and AASB 15 could potentially have an impact on the Consolidated Financial Statements; however the extent of any impact has not yet been determined.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

4. DETERMINATION OF FAIR VALUE

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a) Property, plant and equipment

The fair value of property, plant and equipment recognised is based on market values. The market value of property is the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items when available and replacement cost when appropriate.

b) Taxi plate licences

The fair value of taxi plate licences is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

c) Intangible assets

The fair value of intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

d) Inventories

The fair value of inventories is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

e) Investments in equity securities

The fair value of available-for-sale financial assets for listed securities is determined by reference to their quoted bid price at the reporting date. These assets are measured at fair value.

f) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

g) Interest rate swaps

The fair value of interest rate swaps is based on independent market valuations. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

5. REVENUE

	2015 $'000	2014 $'000
Taxi service fee income	75,859	89,513
Members taxi related services	99,052	96,567
Dividends received – other corporations	316	275
Rental revenue	178	189
Other revenue	12,558	10,709
	187,963	**197,253**
Total turnover – see Note 3(j)	**1,307,941**	**1,228,066**

6. EXPENSES

Profit before related income tax includes the following expenses:		
Depreciation of property, plant and equipment	10,344	9,389
Amortisation of intangibles	3,084	3,243
Total depreciation and amortisation	**13,428**	**12,632**
Employee benefits expense		
Included in total employee benefits expense are:		
Contributions to defined contribution/accumulation type superannuation funds	2,758	2,654
Share based payment expense	78	–

7. INCOME TAX EXPENSE

a) Recognised in the Consolidated Statement of Comprehensive Income

Cabcharge Australia Limited and its wholly owned Australian resident subsidiaries form a tax consolidated group. The current tax rate applicable to the group is 30%.

	2015 $'000	2014 $'000
Current income tax expense		
Current year	16,958	19,761
Over provision for income tax in prior year	(485)	(174)
	16,473	19,587
Deferred tax expense		
Origination and reversal of temporary differences	243	(138)
Total income tax expense in the Consolidated Statement of Comprehensive Income	**16,716**	**19,449**
Numerical reconciliation between tax expense and pre-tax profit		
Pre-tax profit	63,264	75,568
Prima-facie income tax using the corporate tax rate of 30% (2014: 30%)	18,979	22,670
Add tax effect of:		
Non-deductible depreciation	140	180
Non-allowable impairment of investment	3,081	2,910
Other non-allowable items	7	68
Less tax effect of:		
Rebateable fully franked dividends	(7)	(9)
Share of net profit of associates	(4,999)	(6,196)
Over provision for income tax in prior year	(485)	(174)
Income tax expense	**16,716**	**19,449**
Effective tax rate on pre-tax profit	26.4%	25.7%

b) Recognised directly in equity

Revaluations of available-for-sale financial assets	**(478)**	**(157)**

8. TRADE AND OTHER RECEIVABLES

	2015 $'000	2014 $'000
Current		
Trade receivables	50,790	47,219
Accumulated impairment losses	(914)	(914)
Finance lease receivables	7,742	8,984
Other receivables	11,468	9,968
	69,086	**65,257**
Non-current		
Finance lease receivables	6,884	8,418
Other receivables	460	401
	7,344	**8,819**
Movement in allowance for impairment		
Balance at the beginning of the year	(914)	(764)
Doubtful debts (recognised)	(506)	(421)
Amount written off as uncollectable	506	271
Balance at the end of the year	**(914)**	**(914)**

Impaired receivables are those receivables for which a specific doubtful debt provision has been recognised. Receivables that are past due but not impaired are those receivables the directors believe to be fully recoverable and as a result, have not recognised any amount in the allowance for impairment for them.

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed at Note 30.

Finance leases of the Group are receivable as follows:

	2015			2014		
	Future minimum lease payments $'000	Interest $'000	Present value of minimum lease payments $'000	Future minimum lease payments $'000	Interest $'000	Present value of minimum lease payments $'000
Less than one year	8,924	1,182	7,742	10,493	1,509	8,984
Between one and five years	7,633	749	6,884	9,235	817	8,418
	16,557	1,931	14,626	19,728	2,326	17,402

There have been no unguaranteed residual values. No lease payments are considered uncollectable at the reporting date.

9. INVENTORIES

	2015 $'000	2014 $'000
Motor vehicles – at cost	78	329
Parts, safety cameras and sundries – at cost	4,020	2,593
	4,098	**2,922**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

10. FINANCIAL ASSETS

	2015 $'000	2014 $'000
Listed investments – available-for-sale		
Shares in other listed corporations – at fair value	6,072	4,521
Unlisted investments – available-for-sale		
Shares in other corporations – at cost	1,839	1,739
	7,911	**6,260**

Sensitivity analysis – equity price risk

All of the Group's listed equity investments are listed on either the Australian Securities Exchange (ASX) or the Singapore Stock Exchange (SGX). For such investments classified as available-for-sale, a 10% increase in the ASX 200 plus a 10% increase in the SGX at the reporting date would have increased equity by $425,000 after tax (2014: an increase of $298,000); an equal change in the opposite direction would have decreased equity by an equal but opposite amount. The analysis is performed on the same basis for 2014.

All of the Group's unlisted equity investments are carried at cost because there is no quoted market price for these investments and as such, fair value cannot be measured reliably. These equity investments are primarily investments in unrelated taxi network operations where the shareholding held by the Group is not sufficient to demonstrate significant influence. The Group has no intention to dispose of these investments in the foreseeable future.

11. ASSOCIATED COMPANIES

				Ownership Interest		Carrying amount of investment	
Name	Principal Activities	Country of Incorporation	Reporting Period	2015 %	2014 %	2015 $'000	2014 $'000
ComfortDelGro Cabcharge Pty Ltd	Route, school and charter bus services	Australia	31 December	49	49	237,286	222,073
CityFleet Networks Ltd	Taxi related services, bus & coach services	United Kingdom	31 December	49	49	47,006	52,734
						284,292	**274,807**

a) Movements during the year in equity accounted investment in associated companies

	2015 $'000	2014 $'000
Balance at beginning of the financial year	274,807	261,564
Share of associates' profit after income tax		
– ComfortDelGro Cabcharge Pty Ltd	15,213	18,940
– CityFleet Networks Ltd	1,449	1,714
Foreign exchange translation differences		
– CityFleet Networks Ltd	3,094	3,186
Impairment		
– CityFleet Networks Ltd (Refer Note 3e)	(10,271)	(9,700)
Dividend received		
– CityFleet Networks Ltd	–	(897)
Balance at end of the financial year	**284,292**	**274,807**

b) Equity accounted profits of associates are broken down as follows:

	2015 $'000	2014 $'000
Share of associates' profit before income tax expense		
– ComfortDelGro Cabcharge Pty Ltd	21,319	26,625
– CityFleet Networks Ltd	1,844	2,188
Share of associates' income tax expense		
– ComfortDelGro Cabcharge Pty Ltd	(6,106)	(7,685)
– CityFleet Networks Ltd	(395)	(474)
Share of associates' profit after income tax	**16,662**	**20,654**

c) Summarised presentation of aggregate assets, liabilities and performance of associates (all 100% figures)

	2015 $'000	2014 $'000
ComfortDelGro Cabcharge Pty Ltd		
Current assets	81,215	76,170
Non-current assets	960,936	929,071
Total assets	1,042,151	1,005,241
Current liabilities	(77,064)	(131,350)
Non-current liabilities	(480,984)	(420,830)
Total liabilities	(558,048)	(552,180)
Net assets	484,103	453,061
Revenues	345,658	356,914
Profit after income tax of associates	31,047	38,653
CityFleet Networks Ltd		
Current assets	38,569	33,725
Non-current assets	28,441	21,977
Total assets	67,010	55,702
Current liabilities	(11,274)	(9,165)
Non-current liabilities	(1,212)	(1,330)
Total liabilities	(12,486)	(10,495)
Net assets	54,524	45,207
Revenues	114,567	105,250
Profit after income tax of associates	2,957	3,498

d) Impairment considerations

CityFleet Networks Ltd

The Group has assessed the recoverable amount of the investment in CityFleet Networks Ltd at 30 June 2015 based on the historical operating performance and independent sources of expected UK taxi industry future performance. The recoverable amount of this investment based on its value-in-use using a discounted projected cash flow model, was determined to be lower than the carrying amount, resulting in the impairment charge of $10,271,000 (FY14: $9,700,000). This is reflected in the segment result of the taxi related services in Note 31. In assessing the recoverable amount of this investment, the Group has applied an average earnings growth rate of 2.9% for each of the next five years (FY14: 2.0%), a long-term growth rate of 1.9% into perpetuity (FY14: 2.3%), and a pre-tax discount rate of 9.1% (FY14: 7.3%). The discount rate has been revised to reflect current UK market assumptions for the risk free rate, the cost of debt and the beta. Following the impairment charge in the investment, the recoverable amount approximates the carrying amount. Therefore, any adverse change in a key assumption would result in a further impairment charge. The value in use of this investment is most sensitive to the discount rate and the growth rate. A reasonably possible change in the estimated long-term growth rate of 50 basis points would result in a further impairment charge on the investment in City Fleet Network Ltd by $2,096,000.

ComfortDelGro Cabcharge Pty Ltd

ComfortDelGro Cabcharge Pty Ltd provides route, school and charter bus services in Australia. The recoverable amount of the investment in ComfortDelGro Cabcharge Pty Ltd based on its value-in-use using a discounted projected cash flow model, was determined to be higher than the carrying amount. In assessing the recoverable amount of this investment, the Group has applied a nil growth for the next five years, a long term growth rate of 2.5% (2014:2.5%) into perpetuity and a pre-tax discount rate of 8.4% (2014: 8.9%) This long term growth rate reflects the general estimated long term Australian economic growth and the discount rate is based on Australian market assumptions for the risk free rate, the cost of debt and the beta.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

12. PROPERTY, PLANT AND EQUIPMENT

	Land & buildings $'000	Furniture, fittings, plant and equipment $'000	Eftpos equipment $'000	Total $'000
2015:				
Cost				
Opening balance	17,686	41,398	16,627	75,711
Additions	5	3,123	8,430	11,558
Disposals	–	(551)	–	(551)
Closing balance	**17,691**	**43,970**	**25,057**	**86,718**
Accumulated depreciation				
Opening balance	(3,482)	(23,053)	(10,911)	(37,446)
Depreciation expense	(246)	(6,426)	(3,672)	(10,344)
Disposals	–	97	–	97
Closing balance	**(3,728)**	**(29,382)**	**(14,583)**	**(47,693)**
Net Book Value				
Opening balance	**14,204**	**18,345**	**5,716**	**38,265**
Closing balance	**13,963**	**14,588**	**10,474**	**39,025**
2014:				
Cost				
Opening balance	17,684	43,400	19,322	80,406
Additions	2	1,729	2,223	3,954
Disposals	–	(3,731)	(4,918)	(8,649)
Closing balance	**17,686**	**41,398**	**16,627**	**75,711**
Accumulated depreciation				
Opening balance	(3,254)	(20,414)	(12,931)	(36,599)
Depreciation expense	(228)	(6,263)	(2,898)	(9,389)
Disposals	–	3,624	4,918	8,542
Closing balance	**(3,482)**	**(23,053)**	**(10,911)**	**(37,446)**
Net Book Value				
Opening balance	**14,430**	**22,986**	**6,391**	**43,807**
Closing balance	**14,204**	**18,345**	**5,716**	**38,265**

13. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities and the movements in these balances are set out below:

	Opening balance $'000	Charged to income $'000	Charged to equity $'000	Closing balance $'000
2015:				
Accumulated impairment losses – receivables	274	39	–	313
Provision for employee entitlements	1,631	(94)	–	1,537
Accruals	158	15	–	173
Tax losses	1,612	(42)	–	1,570
Interest rate derivatives	268		27	295
Intangible assets	1,890	–	–	1,890
Prepayments	(255)	(161)	–	(416)
Revaluations of available-for-sale financial assets	(906)	–	(505)	(1,411)
Other taxable temporary differences	(321)	–	–	(321)
	4,351	**(243)**	**(478)**	**3,630**
2014:				
Accumulated impairment losses – receivables	229	45	–	274
Provision for employee entitlements	1,836	(205)	–	1,631
Accruals	117	41	–	158
Tax losses	1,652	(40)	–	1,612
Interest rate derivatives	78	–	190	268
Intangible assets	1,890	–	–	1,890
Prepayments	(529)	274	–	(255)
Revaluations of available-for-sale financial assets	(559)	–	(347)	(906)
Other taxable temporary differences	(344)	23	–	(321)
	4,370	**138**	**(157)**	**4,351**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

14. TAXI PLATE LICENCES

a) Composition and movement

		Finite life		
	Indefinite life $'000	50 year renewable $'000	10 year $'000	Total $'000
2015:				
Cost				
Opening balance	65,045	5,600	3,319	73,964
Additions	–	–	–	–
Disposals	–	–	–	–
Closing balance	**65,045**	**5,600**	**3,319**	**73,964**
Accumulated amortisation				
Opening balance	–	(1,536)	(1,045)	(2,581)
Amortisation expense	–	(94)	(369)	(463)
Disposals	–	–	–	–
Closing balance	**–**	**(1,630)**	**(1,414)**	**(3,044)**
Net book value				
Opening balance	**65,045**	**4,064**	**2,274**	**71,383**
Closing balance	**65,045**	**3,970**	**1,905**	**70,920**
2014:				
Cost				
Opening balance	65,270	5,240	3,319	73,829
Additions	392	–	–	392
Reclassifications	(617)	360	–	(257)
Disposals	–	–	–	–
Closing balance	**65,045**	**5,600**	**3,319**	**73,964**
Accumulated amortisation				
Opening balance	–	(1,378)	(676)	(2,054)
Amortisation expense	–	(158)	(369)	(527)
Disposals	–	–	–	–
Closing balance	**–**	**(1,536)**	**(1,045)**	**(2,581)**
Net book value				
Opening balance	**65,270**	**3,862**	**2,643**	**71,775**
Closing balance	**65,045**	**4,064**	**2,274**	**71,383**

The remaining period for amortisation of 50 year finite life taxi plate licences is 43 years

The remaining period for amortisation of 10 year finite life taxi plate licences is 5 years

b) Impairment considerations

The recoverable amount of indefinite life taxi plate licences has been determined based on value-in-use, using a discounted projected cash flow model. In assessing the recoverable amount of such licences, the Group has applied average growth forecasts of between 1.5% to 2.5% (2014: between 2% to 3%) for each of the next five years, long term growth rates of 2.5% (2014: between 2% to 3%) into perpetuity and a pre-tax discount rate of 8.3% (2014: 8.9%). The recoverable amount of all taxi plate licences, was determined to be higher than the carrying amount at the end of period. This long term growth rate reflects the general estimated long term Australian economic growth and the discount rate is based on Australian market assumptions for the risk free rate, the cost of debt and the beta. A reasonably possible change in the average growth forecast and estimated long-term growth rate of 50 basis points would result in an impairment charge on certain Cash-Generating Units (CGUs) in the group of taxi plate licences by $818,000 in total. These affected CGUs have the carrying amount of $16,697,000 at 30 June 2015.

15. GOODWILL

Impairment considerations

Goodwill is allocated to the Group's Cash Generating Units (CGU) as set out below and assessment of the recoverable amount for each CGU has been performed on a value-in-use basis using discounted cash flow projections. To determine value-in-use, cash flows have been projected for five years based on actual operating results for the current year (up to 2.5% annual growth) plus a long term growth rate of 2.5% after 5 years. A pre-tax discount rate of 11.8% was applied in determining recoverable amount. This long term growth rate reflects the general estimated long term Australian economic growth and the discount rate is based on Australian market assumptions for the risk free rate, the cost of debt, the risk of the specific CGU and the beta. For the purpose of impairment testing, goodwill is allocated to groups of CGU, according to business operation and/or geography of operation, which represent the lowest level at which the goodwill is monitored for internal management purposes.

	Carrying value		Impairment loss	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Cabcharge Australia Limited	5,405	5,405	–	–
Combined Communications Network	3,572	3,572	–	–
Black Cabs Combined	6,055	6,055	–	–
	15,032	**15,032**	**–**	**–**

16. INTELLECTUAL PROPERTY

	Indefinite life	Finite life		
	Trademarks $'000	Customer contracts $'000	Capitalised development costs $'000	Total $'000
2015:				
Cost				
Opening balance	1,850	1,160	21,451	24,461
Additions – internally developed	–	–	2,136	2,136
Disposals	–	–	–	–
Closing balance	**1,850**	**1,160**	**23,587**	**26,597**
Accumulated amortisation				
Opening balance	–	(352)	(14,492)	(14,844)
Amortisation expense	–	(177)	(2,445)	(2,622)
Disposals	–	–	–	–
Closing balance	**–**	**(529)**	**(16,937)**	**(17,466)**
Net book value				
Opening balance	**1,850**	**808**	**6,959**	**9,617**
Closing balance	**1,850**	**631**	**6,650**	**9,131**
2014:				
Cost				
Opening balance	1,593	1,160	18,635	21,388
Additions – internally developed	–	–	2,816	2,816
Disposals	–	–	–	–
Reclassifications	257	–	–	257
Closing balance	**1,850**	**1,160**	**21,451**	**24,461**
Accumulated amortisation				
Opening balance	–	(176)	(11,952)	(12,128)
Amortisation expense	–	(176)	(2,540)	(2,716)
Disposals	–	–	–	–
Closing balance	**–**	**(352)**	**(14,492)**	**(14,844)**
Net book value				
Opening balance	**1,593**	**984**	**6,683**	**9,260**
Closing balance	**1,850**	**808**	**6,959**	**9,617**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

17. TRADE AND OTHER PAYABLES

	2015 $'000	2014 $'000
Trade payables	11,233	10,507
Other payables and accruals	12,357	7,488
Unearned revenue	4,415	4,340
	28,005	**22,335**

For more information about the Group's exposure to foreign currency and liquidity risk, see Note 30.

18. LOANS AND BORROWINGS

a) Composition

Unsecured loans	5,199	10,065
Bank borrowings	123,000	149,000
	128,199	**159,065**

b) Disclosure in the Consolidated Statement of Financial Position

Current liability	5,199	10,065
Non-current liability	123,000	149,000
	128,199	**159,065**

The unsecured loans are at-call and bear variable interest rates at 2% to 4.25%. All bank borrowings are denominated in Australian dollars. The bank borrowings are secured by a registered first mortgage over all commercial properties and first registered charge over the fixed and floating assets of the Group. The bank borrowing facility is a revolving facility and is reviewed annually with the bank. The total bank borrowing of $123,000,000 as at 30 June 2015 is repayable in the 2018 financial year.

Bank borrowings bear interest at rates from 3.53% to 4.2%.

For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see Note 30.

19. EMPLOYEE BENEFITS

a) Composition

	2015 $'000	2014 $'000
Annual leave provision	2,302	2,270
Long service leave provision	2,823	3,165
	5,125	**5,435**

b) Disclosure in the Consolidated Statement of Financial Position

Current provision	4,298	4,596
Non-current provision	827	839
	5,125	**5,435**

20. SHARE CAPITAL AND RESERVES

a) Composition and movement in issued capital (number of shares)

	2015 (number)	2014 (number)
Composition of issued capital		
Fully paid ordinary shares	**120,430,683**	**120,430,683**

b) Composition and movement in share capital (dollars)

	2015 $000	2014 $000
Composition of share capital		
Fully paid ordinary shares	**138,325**	**138,325**

c) Options over unissued shares

No options were granted during the year and there were no options outstanding at the end of the financial year. Performance rights were awarded during the year and they may be converted into ordinary shares, subject to Board's discretion.

d) Terms and conditions applicable to ordinary shares

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation. The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid.

e) Composition and movement in reserves

	Foreign currency translation reserve $'000	Hedging reserve $'000	Capital reserve $'000	Fair value reserve $'000	Employee compensation reserve $'000	Total $'000
2015:						
Opening balance	(4,104)	(625)	(914)	2,124	–	(3,519)
Net change in fair value of available-for-sale financial assets, net of tax	–	–	–	1,269	–	1,269
Net change in fair value of available-for-sale financial assets transferred to profit or loss, net of tax	–	–	–	(90)	–	(90)
Effective portion of change in fair value of cash flow hedge	–	(64)	–	–	–	(64)
Share of associates' change in reserve, net of tax	3,094	–	–	–	–	3,094
Share-based payments	–	–	–	–	78	78
Closing balance	**(1,010)**	**(689)**	**(914)**	**3,303**	**78**	**768**
2014:						
Opening balance	(7,290)	(181)	(914)	1,314	–	(7,071)
Net change in fair value of available-for-sale financial assets, net of tax	–	–	–	810	–	810
Effective portion of change in fair value of cash flow hedge	–	(444)	–	–	–	(444)
Share of associates' change in reserve, net of tax	3,186	–	–	–	–	3,186
Closing balance	**(4,104)**	**(625)**	**(914)**	**2,124**	**–**	**(3,519)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 30 JUNE 2015

21. DIVIDENDS
The following fully franked dividends were paid, franked at a tax rate of 30%.

	2015 $'000	2014 $'000
2015 year interim – 10.0 cents per share	12,043	–
2014 year final – 10.0 cents per share	12,043	–
2014 year interim – 15.0 cents per share	–	18,064
2013 year final – 12.0 cents per share	–	14,452
Total dividends paid	**24,086**	**32,516**
Dividends cents per share – paid/payable		
Interim	10.00	15.00
Final	10.00	10.00
Total	**20.00**	**25.00**

The final 10 cents per share fully franked dividend was declared after balance date and has not been provided for. It is scheduled for payment on 29 October 2015. The declaration and subsequent payment of dividends has no income tax consequences to the Company. The financial effect of these dividends has not been brought to account in the financial statements for the financial year ended 30 June 2015 and will be recognised in subsequent financial statements.

22. EARNINGS PER SHARE (EPS)

	2015	2014
Consolidated profit attributable to ordinary shareholders of the Company (in thousands of AUD)	46,548	56,119
Weighted average number of fully paid ordinary shares outstanding during the year used in calculation of basic EPS (in thousands of shares)	120,431	120,431

Any potential dilution in the Company's earnings per share which might arise following the exercise of the long term incentive awards is immaterial given the number of existing issued shares.

	2015	2014
Basic EPS	38.7 cents	46.6 cents
Diluted EPS	38.7 cents	46.6 cents

23. DIVIDEND FRANKING BALANCE

	2015 $'000	2014 $'000
Balance at the end of the financial year including franking credits arising from income tax payable in respect of the financial year.	71,841	65,372

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

(a) franking credits that will arise from the payment of the current tax liabilities;

(b) franking debits that will arise from the payment of dividends recognised as a liability at the year-end;

(c) franking credits that will arise from the receipt of dividends recognised as receivables by the tax consolidated group at the year-end; and

(d) franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. The impact on the dividend franking account of dividends proposed after the balance sheet date but not recognised as a liability is to reduce it by $5,161,000 (2014: $5,161,000). In accordance with the tax consolidation legislation, the Company as the head entity in the tax consolidated group has also assumed the benefit of $71,841,000 (2014: $65,372,000) franking credits.

24. PARENT ENTITY DISCLOSURES

As at, and throughout, the financial year ended 30 June 2015 the parent entity of the Group was Cabcharge Australia Limited.

	Parent Entity	
	2015 $'000	2014 $'000
Result of the parent entity		
Profit for the year	39,785	46,521
Other comprehensive income	1,166	356
Total comprehensive income for the year	**40,951**	**46,877**
Financial position of parent entity at year end		
Current assets	83,640	83,584
Non-current assets	458,541	472,890
Total assets	**542,181**	**556,474**
Current liabilities	6,867	12,842
Non-current liabilities	264,886	290,835
Total liabilities	**271,753**	**303,677**
Total equity of the parent entity comprising of:		
Share capital	138,325	138,325
Reserves	3,390	1,457
Retained earnings	128,713	113,015
Total equity	**270,428**	**252,797**

Parent entity financial guarantees

The Company's policy is to provide financial guarantees only to wholly-owned subsidiaries and associates. An associate of the Company (ComfortDelGro Cabcharge Pty Ltd) has a secured loan facility of $8.3 million provided by an unrelated financial institution. The Company has guaranteed the loan to the extent of its 49% ownership interest in the associate. The fair value of financial guarantee contract is estimated to be zero based on the directors' assessment of the probability of a default event.

Parent entity capital expenditure commitments

The Company has not entered into any contracts to purchase plant and equipment for which amounts have not been provided as at 30 June 2015 (2014: nil).

25. RELATED PARTY AND KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES

Apart from the details disclosed in this note, no key management personnel (KMP) have entered into a material contract with the Company or the Group since the end of the previous financial year and there are no material contracts involving key management personnel interests existing at year end.

a) KMP compensation (including Non-Executive directors)

	2015 $	2014 $
Short-term employee benefits – salary, fees, non-cash benefits and cash bonus	3,611,374	5,000,848
Post-employment benefits – superannuation	207,983	255,740
Other long-term benefits	62,211	142,086
Termination benefits	–	111,461
Share based payment expense	77,520	–
	3,959,088	**5,510,135**

The Company has taken advantage of the relief provided by Corporations Act Regulation 2M.3.03 and has transferred the detailed remuneration disclosures to the Directors' Report. The relevant information can be found in the Remuneration Report within the Directors' Report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

25. RELATED PARTY AND KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES CONTINUED

b) Loans to directors and other KMP

No loans are made to directors or other KMP.

c) Transactions with directors and other KMP

The Group has transactions with certain related parties in the reporting period. The terms and conditions of the transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis.

Related parties	KMP relationship	Nature of transaction	2015 $	2014 $
Yellow Cabs (QLD) Pty Ltd	Mr. N. Ford	(i)	(1,790,600)	(1,865,203)

(i) Fees paid or payable to taxi networks.

d) Other related party transactions

Related parties	Relationship	Nature of transaction	2015 $	2014 $
ComfortDelGro Cabcharge Pty Ltd (CDC)	Associate	(i)	20,000	20,000
		(ii)	–	17,970,000
		(iii)	18,812,086	18,812,086

(i) Directors fee received or receivable.

(ii) On 28 June 2013 the Group advanced an additional short-term loan to CDC of an amount of $17,970,000 to enable the associate to complete its acquisition of part of the business of Driver Group Pty Ltd in Victoria, pending CDC's finalisation of a longer term bank loan.

On 19 September 2014 CDC paid off this short-term loan of $17,970,000 with the interest.

On 26 November 2014 the Group advanced an additional short-term loan to CDC of an amount of $7,840,000 to fund its acquisition of the assets that will be operated as Blue Mountains Transit Pty Ltd.

By 26 June 2015 CDC paid off this short-term loan of $7,840,000 with the interest.

(iii) The shareholders in CDC have loaned funds to CDC, in amounts pro-rata to their respective shareholdings, for bus acquisitions and other capital expenditures. The amount receivable by the Group is $18,812,086 reflecting 49% of the total shareholder loans. The shareholder loans shall be repaid after external bank borrowings are repaid.

26. REMUNERATION OF AUDITORS

	2015 $	2014 $
Audit services		
Auditors of the Company – KPMG Australia		
Audit and review of financial reports	358,300	415,800
Other regulatory services	14,200	14,200
Other auditors		
Audit and review of financial reports	50,000	43,000
Other services		
Auditors of the Company – KPMG Australia		
Taxation services	75,872	53,700
Other assurance services	8,660	8,850
Other auditors		
Other assurance services	75,520	98,000
	582,552	**633,550**

27. PARTICULARS RELATING TO CONTROLLED ENTITIES

	Group Interest % 2015	Group Interest % 2014
135466 Pty Ltd	100	100
ABC Radio Taxi Pty Ltd	100	100
Access Communications Net Pty Ltd	100	100
Arrow Taxi Services Pty Ltd	100	100
Austaxi Group Pty Ltd	100	100
Black Cabs Combined Car Sales Pty Ltd	100	100
Black Cabs Combined Pty Ltd	100	100
Cab Access Pty Ltd	100	100
Cabcharge (Investments) Pty Ltd	100	100
Carbodies Australia Pty Ltd	100	100
Combined Communications Network Pty Ltd	100	100
EFT Solutions Pty Ltd	100	100
Enterprise Speech Recognition Pty Ltd	100	100
Go Taxis Pty Ltd	100	100
Helpline Australia Pty Ltd	100	100
Mact Franchise Pty Ltd	100	100
Mact Network Pty Ltd	100	100
Mact Rental Pty Ltd	100	100
Maxi Taxi (Australia) Pty Ltd	100	100
Melbourne Taxi Cab Service Pty Ltd	100	100
Newcastle Taxis Pty Ltd	100	100
North Suburban Taxis (Vic) Pty Ltd	100	100
Silver Service (Victoria) Pty Ltd	100	100
Silver Service Taxis Pty Ltd	100	100
South Western Cabs (Radio Room) Pty Ltd	100	100
Taxi Data Australia Pty Ltd	58	58
Taxi Services Management (Newcastle) Pty Ltd	100	100
TaxiProp Pty Ltd	100	100
Taxis Australia Pty Ltd	58	58
Taxis Combined Services (Vic) Pty Ltd	100	100
Taxis Combined Services Pty Ltd	100	100
Taxitech Pty Ltd	100	100
TCS Communications (Vic) Pty Ltd	100	100
Thirteen Hundred Pty Ltd	100	100
Voci Asia Pacific Pty Ltd	100	100
Yellow Cabs of Sydney Pty Ltd	100	100
Yellow Cabs South Australia Pty Ltd	100	100
Yellow Cabs Victoria Pty Ltd	100	100
Cabcharge (Europe) Ltd	100	100
Cabcharge International Limited	100	100
Cabcharge New Zealand Limited	100	100
Cabcharge North America Ltd	93	93

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

28. CAPITAL EXPENDITURE COMMITMENTS

The Group has not entered into any contracts to purchase plant and equipment for which amounts have not been provided as at 30 June 2015 (2014: nil).

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

a) Reconciliation of net cash provided by operating activities with profit from ordinary activities after income tax

	2015 $'000	2014 $'000
Profit from ordinary activities after income tax	46,548	56,119
Adjustment for non-cash items:		
Depreciation and amortisation	13,428	12,632
Net (profit)/loss on disposal of property, plant and equipment	(9)	(35)
Net (profit)/loss on sale of investments	(134)	–
Non-cash finance income	–	(206)
Impairment of investment in associate	10,271	9,700
Share of associated companies' net profit after income tax	(16,662)	(20,654)
Dividend received from associate	–	897
Changes in assets and liabilities, net of the effects of purchase of subsidiaries:		
Change in trade and other debtors	(3,066)	1,782
Change in inventories	(1,176)	2
Change in creditors and accruals	5,748	(2,001)
Change in provisions	(310)	(685)
Change in income taxes payable	(4,866)	434
Change in deferred tax balances	241	(138)
Net cash provided by operating activities	**50,013**	**57,847**

b) Cash and cash equivalents

	2015 $'000	2014 $'000
Cash on hand and at bank	11,181	16,587
Money market deposits	12,675	25,269
Balance per Consolidated Statement of Cash Flows	**23,856**	**41,856**

c) Restricted cash

There was no restricted cash at 30 June 2015 (30 June 2014: $nil).

30. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

a) Overview

The Board of directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity. The Board also monitors the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group's target is to achieve a return exceeding its cost of capital. During the year ended 30 June 2015 the return was 11.8% (2014: 15.3%). In comparison, the weighted average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 4.5% (2014: 4.4%).

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The Group has exposure to the following risks from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout these Consolidated Financial Statements.

b) Financial risk management objectives

The Board of directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Audit & Risk Committee, which is responsible for developing and monitoring risk management policies. The Committee reports regularly to the Board of directors on its activities.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through their training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit & Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, associates and investment securities. The carrying value of cash and cash equivalents, trade and other receivables, advances to associates and available-for-sale financial assets represents the maximum credit exposure of these assets.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The Group minimises concentration of credit risk in relation to trade accounts receivable by undertaking transactions with a large number of customers. However, all the customers are concentrated in Australia.

Credit risk in trade receivables is managed in the following ways:

- The Audit & Risk Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered;
- Payment terms are 28 days;
- A risk assessment process is used for customers over 90 days; and
- Cash or bank guarantee is obtained where appropriate.

The Group assumes the credit risk for the full value of taxi fares settled through the Cabcharge Payment System (see Note 5 and Note 3(j)).

The Group has established an allowance for impairment that represents their estimate of incurred losses in respect of trade and other receivables and investments. An allowance has been made for estimated irrecoverable amounts from billings. The main component of this allowance is a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

	2015			2014		
	Gross $'000	Impairment $'000	Net $'000	Gross $'000	Impairment $'000	Net $'000
Not past due	44,298	(20)	44,278	40,060	(91)	39,969
Past due 1 – 30 days	4,705	(47)	4,658	6,087	(95)	5,992
Past due 31 – 60 days	956	(191)	765	798	(494)	304
Past due 61 – 90 days	459	(321)	138	194	(159)	35
Past due over 90 days	372	(335)	37	80	(75)	5
	50,790	**(914)**	**49,876**	**47,219**	**(914)**	**46,305**

Details of the movement in the allowance for impairment in respect of trade receivables during the year are provided in Note 8.

No credit terms have been re-negotiated with customers.

Collateral is held in the case of finance lease receivables, where the Group holds a lien over the leased asset. The market value of such collateral is not expected to vary materially from the net investment value of the finance lease receivables.

There has been no change in credit risk policies during the financial year.

Investments

The Group limits its exposure to credit risk by investing in liquid securities, unlisted companies which are related to taxi business and having deposits with financial institutions.

The investment in unlisted companies was $1,839,000 as at 30 June 2015 (refer Note 10).

Financial Guarantee

The Company's policy is to provide financial guarantees only to wholly-owned subsidiaries and associates. An associate of the Company (ComfortDelGro Cabcharge Pty Ltd) has a secured loan facility of $8,300,000 provided by an unrelated financial institution. The Company has guaranteed the loan to the extent of its 49% ownership interest in the associate. The fair value of financial guarantee contract is estimated to be zero based on the directors' assessment of the probability of a default event.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

30. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT CONTINUED

d) Liquidity risk

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

The Group undertakes the following activities to ensure that there will be sufficient funds available to meet obligations:

- Prepare budgeted annual and monthly cash flows;
- Monitor actual cash flows on a daily basis, and compare to liquidity requirements;
- Maintain sufficient cash on demand to meet 8 weeks of operational expenses;
- Maintain standby money market and commercial overdraft facilities; and
- Maintain committed borrowing facility in excess of budgeted usage levels.

There has been no change in liquidity risk policies during the financial year.

Maturity profile of financial liabilities by remaining contractual maturities

	Carrying amount $'000	Contractual cashflows $'000	6 months or less $'000	6 to 12 months $'000	1 to 2 years $'000	2 to 5 years $'000
2015:						
Trade and other payables	28,315	28,315	28,315	–	–	–
Loans and borrowings	128,199	133,135	5,399	–	–	127,736
Interest rate swaps used for hedging	985	985	–	–	985	–
	157,499	**162,435**	**33,714**	**–**	**985**	**127,736**
2014:						
Trade and other payables	22,335	22,335	22,335	–	–	–
Loans and borrowings	159,065	167,539	10,493	–	–	157,046
Interest rate swaps used for hedging	894	894	–	94	–	800
	182,294	**190,768**	**32,828**	**94**	**–**	**157,846**

	2015 $'000	2014 $'000
Financial facilities		
Revolving credit facility	192,500	192,500
Multi option facility	7,500	7,500
Total facility	**200,000**	**200,000**
Amount used	**123,000**	**149,000**
Amount unused	**77,000**	**51,000**

The bank borrowings, as disclosed in Note 18, require the Group to comply with certain financial covenants which, if breached, could result in repayment of a portion or all of the borrowings earlier than indicated in the above table. The interest payments on variable interest rate loans and the future cash flows from interest rate swaps reflect market forward interest rate at the period end and these amounts may change as market interest rate change. The cash flows associated with interest rate swaps used for hedging are expected to impact profit or loss in the same periods in which they occur. Except for these financial liabilities, it is not expected that the cash flows included in the maturity profile could occur significantly earlier, or at significantly different amounts.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 8 weeks, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Group maintains lines of credit as detailed in the above table.

e) Market risk

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

i) Currency risk

The Group has no significant exposure to foreign exchange risk in respect of the Company and the entities it controls. The Group does have an available-for-sale investment denominated in Singapore Dollars (SGD) to which a currency risk applies. The Company's associate, CityFleet Networks Ltd, conducts its operations in the United Kingdom and its transactions are denominated in Great British Pounds (GBP). These transactions are presented in the associate's financial statements in GBP. For equity accounting purposes the Group translates its share of profits into Australian Dollars (AUD) based on average monthly exchange rates.

Sensitivity analysis

In relation to the available-for-sale investment denominated in SGD, a 10% strengthening of the AUD against the SGD would have decreased equity by $425,000 net of tax (2014: $298,000 net of tax) for the Group. A 10% weakening of the AUD against the SGD would have had an equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

A 10% strengthening of the AUD against the GBP across the reporting periods would have decreased equity and profit by $145,000 net of tax (2014:$171,000 net of tax). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2014. A 10% weakening of the AUD against the GBP would have had the equal but opposite effect, on the basis that all other variables remain constant.

ii) Interest rate risk

The principal risk to which financial assets and financial liabilities are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. The Group adopts a policy of maintaining a mix of fixed and floating interest rates ranging from 1 month to 2 years, to protect part of the loans from exposure to increasing interest rates. The Group enters into and designates interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount	
	2015 $'000	2014 $'000
Fixed rate instruments		
Financial assets	14,626	17,402
Financial liabilities	(75,000)	(115,000)
	(60,374)	(97,598)
Variable rate instruments		
Financial assets	42,668	60,668
Financial liabilities	(53,199)	(44,065)
	(10,531)	16,603

Sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2014.

	Profit or loss		Equity	
	100 bp increase $'000	100 bp decrease $'000	100 bp increase $'000	100 bp decrease $'000
2015	(1,215)	1,215	(1,912)	1,912
2014	(1,509)	1,509	(2,579)	2,579

iii) Other market price risk

Equity price risk arises from available-for-sale equity securities. Management of the Group monitors equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Audit & Risk Committee.

Details of the sensitivity to market price risk for the Group's listed equity instruments are provided in Note 10.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 30 JUNE 2015

30. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT CONTINUED

f) Fair values

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, where applicable, are based on the government yield curve at the reporting date plus an adequate credit spread, and were as follows:

	2015	2014
Loans and borrowings	3.5% to 4.2%	3.8% to 7%
Finance lease receivables	7.5% to 12%	9% to 12%
Interest rate derivatives	3% to 5%	3% to 5%

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 June 2015				
Listed investments – available-for-sale financial assets	6,072	–	–	6,072
Interest rate swap used for hedging	–	(985)	–	(985)
	6,072	**(985)**	**–**	**5,087**
30 June 2014				
Listed investments – available-for-sale financial assets	4,521	–	–	4,521
Interest rate swap used for hedging	–	(894)	–	(894)
	4,521	**(894)**	**–**	**3,627**

There have been no transfers between levels for the year ended 30 June 2015.

31. OPERATING SEGMENT

The Group operates predominantly in one business and geographic segment being the provision of taxi related services in Australia and through an equity accounted associate in the UK.

An associate company which is equity accounted by Cabcharge operates in a different business segment – being the provision of route, school and charter bus services in Australia.

	Taxi related services		Bus & coach services		Consolidated	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Revenue						
External revenue	187,963	197,253	–	–	187,963	197,253
Result						
Reported result	52,169	61,178	–	–	52,169	61,178
Share of net profit of associates	1,449	1,714	15,213	18,940	16,662	20,654
Segment result	53,618	62,892	15,213	18,940	68,831	81,832
Net finance costs					(5,567)	(6,264)
Income tax expense					(16,716)	(19,449)
Profit for the period					46,548	56,119
Other disclosures						
Segment assets, excluding investments accounted for using the equity method	272,510	285,527	–	–	272,510	285,527
Other-investments accounted for using the equity method	47,006	52,734	237,286	222,073	284,292	274,807
Segment liabilities	164,077	194,048	–	–	164,077	194,048
Depreciation and amortisation	13,428	12,632	–	–	13,428	12,632
Impairment charge on investments in associates	10,271	9,700	–	–	10,271	9,700

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

32. SHARE-BASED PAYMENT

a) Fair value

The fair value of the awards as at the valuation date is set out in the following table:

Grant date/employees entitled	Number of Rights	Vesting conditions	Valuation methodology	Fair Value	Expected vesting date	Performance Period
Rights granted to CEO On 17 December 2014	28,834	Absolute Total Shareholder Return (market condition)*	Monte Carlo simulation	$1.56	15 September 2018	1 July 2014 to 30 June 2018
	14,202	Strategic Milestone (non-market condition)*	Binomial tree	$3.43		
Rights granted to key management personnel On 20 May 2015	49,386	Absolute Total Shareholder Return (market condition)*	Monte Carlo simulation	$2.30	15 September 2018	1 July 2014 to 30 June 2018
	24,324	Strategic Milestone (non-market condition)*	Binomial tree	$4.21		
Total number of Rights	**116,746**					

* Details of the operation of LTI awards are outlined in the Directors' Report from page 47 to 49

b) Key assumptions

The key assumptions adopted for valuation of the awards are summarised in the following table:

	2015	
Rights grand date	**17 December 2014**	**20 May 2015**
Share price at grant date	$4.22	$4.82
Expected life	3.7 years	3.3 years
Expected volatility	30%	30%
Dividend yield	5.5%	4.1%
Risk-free interest rate	2.25%	2.14%

c) Reconciliation

The reconciliation of outstanding rights is shown the following table:

	Number of Rights	
Performance Rights reconciliation	**2015**	**2014**
Rights outstanding as at 1 July	–	–
Rights granted	116,746	–
Rights forfeited	–	–
Rights lapsed	–	–
Rights exercised	–	–
Rights outstanding as at 30 June	**116,746**	**–**
Rights exercisable as at 30 June	**–**	**–**

33. SUBSEQUENT EVENT

Dividends

The directors have declared a final dividend of 10 cents per share (fully franked) scheduled to be paid on 29 October 2015. The record date to determine entitlement to dividend is 30 September 2015.

Other than the matter above, there have been no events subsequent to the reporting date that would have a material impact on the Group's financial statements as at 30 June 2015.

DIRECTOR'S DECLARATION

1. In accordance with a resolution of the Directors of Cabcharge Australia Limited (Company), we declare that:

   (a) in the opinion of the directors, the Consolidated Financial Statements and Notes set out on pages 56 to 86, and the Remuneration Report in the Directors' Report, set out on pages 41 to 53, are in accordance with the *Corporations Act 2001,* including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of the performance for the financial year ended on that date, and

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

   (b) in the opinion of the directors, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

   (c) the directors have been given the declarations required to be made in accordance with section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2015.

Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Signed in accordance with the resolution of the directors.

Russell Balding, AO
Chairman

Neill Ford
Deputy Chairman

Dated at Sydney this 28 day of September 2015

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2015

KPMG

Independent auditor's report to the members of Cabcharge Australia Limited

Report on the financial report

We have audited the accompanying financial report of Cabcharge Australia Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2015, and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 33 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 2a, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 judgement, 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 control relevant to the entity's preparation of the financial report that gives a true and fair view 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 control. 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 performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

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*.

KPMG

Auditor's opinion

In our opinion:

(a) the financial report of Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

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

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2a.

Report on the remuneration report

We have audited the remuneration report included in pages 41 to 53 of the directors' report for the year ended 30 June 2015. 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 auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Cabcharge Australia Limited for the year ended 30 June 2015, complies with Section 300A of the Corporations Act 2001.

KPMG

KPMG

Julie Cleary
Partner

Sydney

28 September 2015

ADDITIONAL ASX INFORMATION

FOR THE YEAR ENDED 30 JUNE 2015

SPREAD OF SHAREHOLDERS AS AT 10 SEPTEMBER 2015

Holding	No of shareholders	No of shares	% of issued capital
1 – 1,000	2,255	1,255,266	1.04
1,001 – 5,000	2,429	6,284,357	5.22
5,001 – 10,000	657	4,506,962	3.74
10,001 – 10,0000	647	16,113,613	13.38
10,0001 and over	42	92,270,485	76.62
Total	**6,030**	**120,430,683**	**100**

There were 441 shareholders each holding less than a marketable parcel of shares (based on the Company's closing market price on 10 September 2015.

SUBSTANTIAL HOLDINGS AS AT 10 SEPTEMBER 2015

Entity name	Number of shares held
Lazard Asset Management Pacific Co	17,765,194
ComfortDelgro Corporation Limited (and its associates)	11,611,680
Aberdeen Asset Management Asia Limited (and its associates)	7,936,955
Commonwealth Bank of Australia	7,353,742
Egbaston Investment Partners	6,220,324

Information included in the substantial holdings table is sourced from publicly disclosed document releases or the register that the Company maintains in accordance with section 672DA of the Corporations Act, in each case as at 10 September 2015.

TOP 20 SHAREHOLDERS AS AT 10 SEPTEMBER 2015

	Name	No. Shares	% Issued Capital
1	HSBC Custody Nominees (Australia) Limited	22,622,822	18.78
2	J P Morgan Nominees Australia Limited	19,041,125	15.81
3	National Nominees Limited	13,791,689	11.45
4	NEFCO Nominees Pty Ltd	8,980,676	7.46
5	Citicorp Nominees Pty Limited	8,257,703	6.86
6	BNP Paribas Noms Pty Ltd	5,308,828	4.41
7	Swan Taxis Pty Ltd	2,631,004	2.18
8	UBS Nominees Pty Ltd	1,854,863	1.54
9	Legion Cabs (Trading) Co-Operative Society Limited	1,750,000	1.45
10	HSBC Custody Nominees (Australia) Limited	1,211,821	1.01
11	HSBC Custody Nominees (Australia) Limited – A/C 3	1,133,720	0.94
12	Ms Faby Fielan Chong	525,487	0.44
13	NATIONAL EXCHANGE PTY LTD	350,000	0.29
14	Mr Raymond John Meredith	286,607	0.24
15	Citicorp Nominees Pty Limited	278,673	0.23
16	Paden Valley Investments Pty Ltd	270,080	0.22
17	Mr John Morgan Bosler	270,000	0.22
17	Granger Transport Pty Ltd	270,000	0.22
18	BNP Paribas Nominees Pty Ltd	242,184	0.20
19	Mr Ian Alexander Armstrong	233,212	0.19
20	Mrs Marianne Parass	220,000	0.18
Total		**89,530,494**	**74.32**

VOTING RIGHTS

In accordance with the Company's constitution, at a general meeting:

(a) on a show of hands, every shareholder present has one vote; and

(b) on a poll, every shareholder present has one vote for each fully paid share held by the shareholder and in respect of which the shareholder is entitled to vote.

At a general meeting, each member entitled to vote, may vote:

(a) in person, or, where a member is a body corporate, by its representative;

(b) by not more than two proxies; or

(c) by not more than two attorneys.

The Company has only one class of ordinary shares on issue, each with the same voting rights.

ASX LISTING

The Company's ordinary shares are quoted on the Australian Securities Exchange (**ASX**) under the trading code 'CAB', with Sydney being the home exchange.

Details of trading activity are published in most daily newspapers and are also available on a 20 minute delayed basis, on our website. The Company is not currently conducting an on-market buy-back of its shares.

WEBSITE

All annual and half year results are available the Company's website www.cabcharge.com.au

A printed copy of the Annual Report will only be sent to shareholders who have elected to receive one.

CORPORATE DIRECTORY

ABN 99 001 958 390

COMPANY SECRETARY
Mr Adrian Lucchese

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