Cabcharge

Connecting You with People and Places

Annual Report 2017

Connecting You with People and Places

Our vision is to be Australia's leading personal transport business and the first choice for Passengers, Drivers, Taxi Operators and Network Partners.

Cabcharge continues to invest in its vision and overarching purpose of **Connecting You with People and Places**. We are determined to capture opportunities in the growing personal transport market and win customers through exceptional service that is dependable and trusted.

Our industry continues to evolve providing considerable scope for growth. We will draw from our knowledge, strength and experience in order to shape, facilitate and benefit from the transition to an increasingly mobile society.

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Who We Are


Trips Taken
DOWNLOAD TRIP DATA
David
Card / Seq No.
Date
Time
000005
Thu 01/06/17
Melbourne

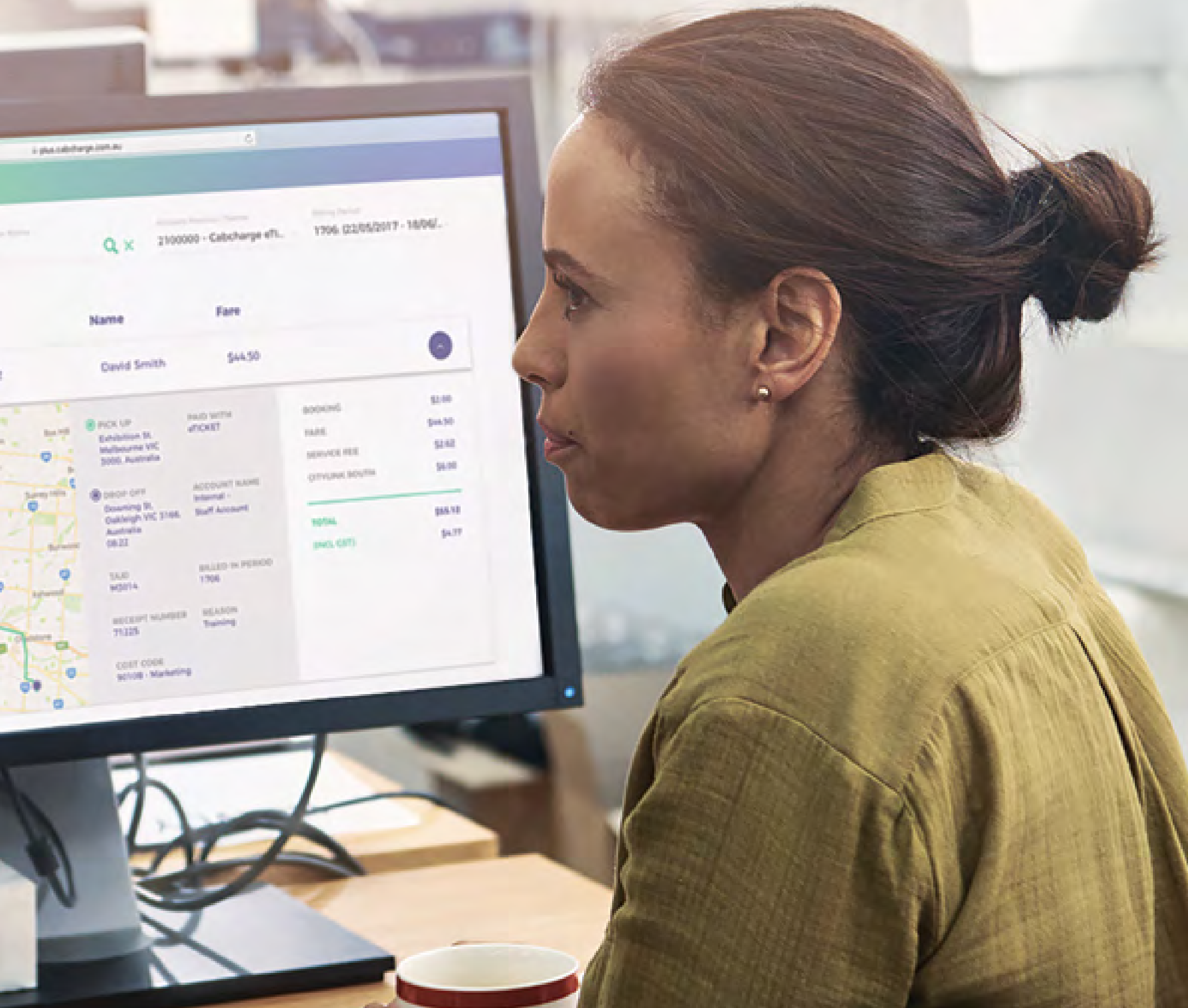
Payments

Cabcharge has been an innovator of payment technology for over 40 years. We specialise in secure, convenient and flexible travel payment solutions designed to meet the needs of Passengers, Account Clients, Drivers and Taxi Networks.

Our in-car and handheld electronic terminals process a variety of non-cash payment products, including a wide range of cards as well as contactless smart phone payments. Our in-car terminal, FAREWAYplus, is installed in almost every Taxi in Australia. With its sophisticated meter app functionality, it provides an integrated solution for our customers.

Cabcharge's payment products (FASTCARD and eTICKET) offer Passengers fast and secure cashless methods for paying Taxi fares and provide our customers with improved control, greater insight and end-to-end automation.

Our cloud-based travel management solution, Cabcharge Plus, was launched in April 2017 and delivers comprehensive real-time trip data to multiple users for both booked and hailed trips. Cabcharge Plus simplifies account management and ensures effective travel compliance with optional pre-trip approval and designation of trip purpose. Group-wide tracking, reporting and analysis provide deep insights into travel activity.



Who We Are

Networks

Cabcharge is the largest Taxi booking and dispatch provider servicing Drivers and Passengers in Australia. Built on its unique technology platform, with an emphasis on delivering quality services and products, Cabcharge provides leading Network services to Taxi Operators and Drivers, including booking services, full Taxi fit-outs and repairs, vehicle financing and insurance, and Driver training and education.

The 13CABS, Silver Service and Yellow Cabs brands represent approximately 8,500 Taxis operating in Sydney, Melbourne, Brisbane, Adelaide, Newcastle, regional Victoria and the Northern Territory.

The addition of the new 13CABS Driver app has enhanced Cabcharge's connection with Drivers. The app's functionality includes two-way communication between the Driver and the Network, and allows the Driver to monitor and manage their bookings, communicate with their Passengers using the 13CABS app, and keep up-to-date with industry news.

Who We Are

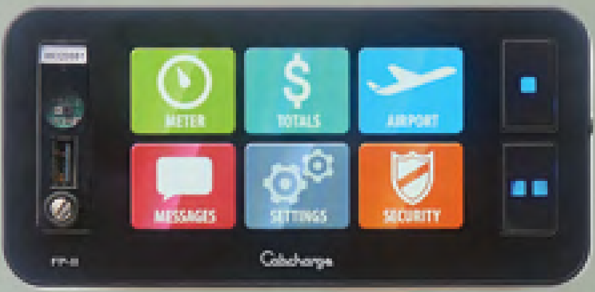
Products

Payment terminals

Cabcharge is now an emerging participant in the handheld payment terminal market following the launch of Spotto (for Taxis) and Giraffe (for Hire Cars) in Sydney, Melbourne, and Brisbane during the 2017 financial year. Early results are encouraging, with handheld terminal fares processed in August 2017 reaching an annualised run rate of $100 million. We have also launched the Spotto app to assist Drivers to review and track their earnings and payments.

Travel solutions

Accepted by 98% of Taxis nationally, Cabcharge is Australia's leading Taxi payment provider. FASTCARD is a personalised card for Taxis and Hire Cars that has unique in-built travel rules. Single-use FLEXeTICKET allows customers to set maximum fares, restrict the time and day of use and nominate an expiry date. FASTCARD and FLEXeTICKET holders can book a Taxi by app, phone or by simply hailing one on the street. Cabcharge provides full insight into Taxi use and reduces costs through automated ATO-approved receipts and detailed travel reports for Customers.



FAREWAYplus

FAREWAYplus facilitates faster and more detailed payment processing. This improves email receipts and, where the meter app is used, provides greater clarity for customers with tolls and airport charges displayed and calculated automatically. Other features include high speed secure software download capability, GPS vehicle tracking, anti-tamper security processor and contactless card reader for payment processing.

Apps

Cabcharge's new look, world-class 13CABS and Silver Service apps incorporate secure two-tap booking, Driver rating systems, and in-app payment options. They are constantly refreshed with regular upgrades. Our 13CABS app is the leading Taxi booking app in Australia, and momentum in app downloads continues to build.

Chairman's Message

I joined the Board of Cabcharge Australia Limited as Chairman on 27 February 2017, and feel fortunate to have arrived as the finishing touches were being applied to a 3-year program of transformative work that has restored balance sheet strength and flexibility, reshaped the business and, most importantly, positioned the Company for growth.

Concurrent with divesting non-core assets, Cabcharge has invested to improve its service offering, expand its fleet and upgrade its infrastructure. These initiatives are ongoing and we have also embarked on a program of further investment in additional marketing and technology to promote and advance the benefits of our improved services and fuel the growth of our core businesses.

"Demand for affordable, convenient personal transport services will not abate, and the opportunity for, and the ambition of, Cabcharge is to be the personal transport provider of choice."

Completion of the divestment of non-core assets during the year ended 30 June 2017 was a significant strategic initiative. Investments in ComfortDelGro Cabcharge and CityFleet Networks Limited, as well as a Newcastle property, were sold. The aggregate proceeds of $200 million were used to fund a special dividend of $0.80 per share, and to reduce debt.

Importantly, we entered the current financial year with positive momentum. This is exemplified by the strong take-up of the Spotto and Giraffe handheld terminals following their launch in December 2016. Of the total $950 million of Taxi fares processed by Cabcharge in FY17, $22.3 million was processed through these new handheld products. By June, the volume of fares processed through handheld terminals had reached an annualised $71 million, and by August it was $100 million.

Cabcharge made a net profit after tax from continuing operations of $21.3 million (calculated on an underlying basis) for the year ended 30 June 2017. This was down 24.9% from the prior year, primarily reflecting lower service fee income from Taxi payments. On a statutory basis, net profit after tax from continuing operations rose 33.3% to $13.7 million.

However, the resilience of the Company's cash flow throughout the restructuring phase, notwithstanding significant regulatory change and aggressive competition, facilitated the payment of semi-annual ordinary dividends of $0.10 per share and, in the latest period, a significant strengthening of our balance sheet such that we ended the year with net cash of $25.8 million.

Strategy for building value for shareholders

In light of the transition from restructuring to growth, I want to reiterate Cabcharge's vision, which is to be Australia's leading provider of personal transport services. We aspire to be the first choice for personal and corporate Passengers, the preferred payment and Network service partner for Drivers and Taxi Operators, and the employer of choice in the personal transport sector.

This is an ambitious, but achievable, goal.

The principal disruptive challenges facing Cabcharge in recent years have been regulatory changes and the emergence of competitors offering alternative service and payment methods.

Regulatory change has reduced our payment processing fee for non-cash Taxi transactions as well as the holding value of Taxi licences. By 30 June 2017, all States and Territories other than Queensland and Tasmania had implemented a 5% cap on payment service fees, and Queensland is expected to do the same in the coming year. This will stabilise the regulatory environment and facilitate a rebasing of payment processing revenue.

Divesting non-core assets and strengthening our balance sheet also allows us to consider strategic expansion. In March 2017, we reached an agreement to acquire the business operations of Yellow Cabs Queensland for $19.5 million. This acquisition received approval from the Australian Competition and Consumer Commission in June and we completed the acquisition in July. Integrating Yellow Cabs Queensland is a major priority for the current financial year. It expands our Network services activities into Queensland, and further builds our national platform.

Importantly, Yellow Cabs Queensland also operates a courier fleet that provides us with a strategic option should we conclude there is merit in rolling out the courier business model across our other Network locations.

Board changes

We have also undertaken a program of Board renewal during the past year. In August 2017, we announced the appointments of Louise McCann and Clifford Rosenberg to the Board. During the past year, former Chairman Russell Balding and Non-executive Director Stephen Stanley departed. We thank them both for their contributions and welcome Louise and Clifford. I would also like to thank Rick Millen for serving as Chairman during the financial year.

Positioned for growth

Cabcharge's expertise within the personal transport industry places it in a strong position to continue to provide, and grow, its services. In particular, Cabcharge expects to be able to benefit from innovation that provides Passengers, Drivers and Taxi Operators with a more convenient and satisfactory bookings and payments experience.

Increasing population and urbanisation will underwrite demand for personal transportation services, especially as rising vehicle costs compete with less discretionary expenses such as utility bills, food and lodging for household disposable dollars. Demand for affordable, convenient personal transport services will not abate, and the opportunity for, and the ambition of, Cabcharge, is to be the personal transport provider of choice.

I want to acknowledge the contribution made by your executive team led by Chief Executive Officer and Managing Director Andrew Skelton during this period and to thank them on your behalf for their dedication and enthusiasm. I would also like to thank my fellow Directors for their invaluable support to both the Company and myself during the year.

While we expect the year ahead to continue to challenge us, we face those challenges with renewed optimism and heightened expectation. Our people are highly motivated and well equipped to continue to build value for our shareholders.

Paul Oneile
Chairman

Chief Executive Officer's Report

We have renewed Cabcharge's approach to technology, strengthened our workforce and completed our program of monetising non-core assets. Our enhanced capabilities are being channelled into steadily improving services under the umbrella of consolidated brands and on the foundation of a strong and flexible balance sheet. Cabcharge is now firmly focussed on being Australia's leading personal transport business.

We have responded to new competition with a sustained and ongoing process of improving our products and services and by expanding our distribution channels and offerings. In the past year we:

- Completed the successful rollout of the FAREWAYplus device in Taxis across Australia
- Launched a completely re-engineered Cabcharge account offering with new customisable FASTCARDs and eTICKETs supported by a sophisticated administration portal Cabcharge Plus that leverages real time data
- Released handheld payment terminals for Drivers in NSW, Victoria and Queensland
- Committed to 13CABS as a national brand and completed the 13CABS rebranding of the Sydney Taxi fleet and launched a new 13CABS website
- Initiated new look 13CABS and Silver Service Passenger booking, and Driver apps, generating strong momentum reflected in increased downloads

"Cabcharge is now firmly focussed on being Australia's leading personal transport business."

Our approach to technology has been reinvented. A significant restructuring and strengthening of our technology team during FY17, incorporating targeted recruiting and a disciplined adoption of agile software development methodology, resulted in a number of recent service improvements and product launches. After assessing the initial benefits of our new approach to technology we are now extending our investment in the team and expect the benefits of our transition to agile methodology to accelerate in the second and third years of the new structure. Stakeholders can anticipate substantial ongoing enhancements to the way in which trips are booked, tracked and paid for in the years ahead.

Our marketing team and capabilities were also rejuvenated during the last year. Additional investment in marketing to reinforce and promote our upgraded products and services is already generating results. Increased downloads of the 13CABS app began to flow quickly in May and June 2017, and momentum has continued into FY18. In the market for personal transport, our Passengers are now benefitting from enhanced Driver and vehicle presentation, faster pick up times, and a more dependable service.

We have completed our transformation agenda which, in addition to bolstering our technology team and marketing capabilities, included the sale of non-core assets. Significant transactions concluded during the year included the sale of our stake in the bus business ComfortDelGro Cabcharge and the sale of our stake in the UK Taxi and coach business CityFleet Networks. Throughout this period we maintained our focus on streamlining and fortifying our operating structure and dismantling Company silos as well as establishing a consistent approach to technology across the enterprise. Simultaneously, we have reconfigured a range of activities and market offerings in order to preserve our competitive positioning and strategic options whilst absorbing a raft of regulatory changes across all States and Territories that have impacted our business and our stakeholders.

With a power of work behind us, the addition of the Yellow Cabs business in Queensland holds special significance. Fundamental components of our Strategy include increasing scale and offering service on a national basis – Yellow Cabs Queensland delivers on both of these. The expansion signifies our confidence in the personal transport industry in Australia and the ability of leading Taxi Networks to evolve and service the growing market in a manner that resonates with both Passengers and Drivers. Stakeholders on both sides of the transaction are delighted to have joined forces to focus pooled resources and knowledge and a combined footprint on delivering enhanced services to Passengers and Clients.

Looking ahead

Our vision is to be Australia's leading personal transport provider in 2021. In doing so we will shape, facilitate and benefit from the transition to an increasingly mobile society.

Momentum is also building with Drivers. During FY17, 6,264 new Drivers joined the 13CABS Network and use of the 13CABS Driver app is gaining traction. New engagement initiatives are strengthening our relationship with Drivers who are in turn supporting our efforts to improve service even when we tighten business rules in favour of Passengers. Professional Drivers, supported by well-resourced Taxi Operators and a high quality fleet, are key to generating Passenger support and loyalty. Our engagement and support of Drivers is imperative given the view that paid personal transport will begin to expand rapidly by 2021, well in advance of the widespread adoption of autonomous vehicles for ad hoc Passenger journeys.

Growth levers that we are focussed on in the near term include the rebuilt Cabcharge Account Offering, handheld payment terminals, linking bookings with payments, sharing the benefits of our scale and technologies with other Taxi Networks in the form of bureau services, and - in established markets where regulatory conditions recognise the growing demand for personal transport – fleet growth.

We will also continue to evaluate acquisition opportunities that complement our core business or expand our operating footprint in a manner that benefits shareholders.

The future

We have reset our business to accelerate our performance in the growing personal transport market. We are confident that further planned improvements in our services, technology, marketing and culture during FY18 will impress Passengers and attract more Drivers and Taxi Operators to join and grow our fleet. We are energised by our early progress and excited by the opportunities for growing the personal transport market in a durable and legitimate manner.

Growing population, urbanisation and demographics will continue to facilitate a move towards convenient personal transport services, including Taxis. Together with an engaged workforce, enhanced services for Passengers, focussed branding, and upgraded payment services, we expect these trends to contribute to growing Taxi use and payment turnover. We are increasing our investments in marketing and technology to promote the improvements we have made in order to attract and retain new customers that will generate revenue over the medium and long term.

Andrew Skelton
Chief Executive Officer and Managing Director

Opportunies for growth

The increasing demand for personal transport and continued structural shift from cash to electronic payments support long term growth in our turnover

Fleet Growth

Improved services, technology and marketing will leverage our coverage in our existing markets and strengthen our ability to win market share.

Where regulatory settings permit we expect the number of Taxis in Australia to return to their longer term growth pattern.

We have successfully utilised a Private Hire offering to enable Taxi Operators to grow their fleets in select markets. In Adelaide Private Hire vehicles now constitute 17% of the affiliated fleet.

Taxi Networks in regional centres are continuing to leverage our technology, scale, support and in some cases branding and are acquiring Network services under bureau style contracts.

Payments Turnover

Continuing investment in upgrading our Taxi specific payment functionality and services, including the Cabcharge Account offering, will bolster payment turnover in Taxis throughout Australia.

We are establishing a growing position in the handheld payment terminal market with Spotto and Giraffe and will extend our reach to additional locations.

Payments will be increasingly linked to contact centre bookings, app bookings and web bookings driving payment turnover through new channels.

Business Activities

We will assess the opportunities to expand the courier business and utilise the insurance brokerage stake acquired as part of the Yellow Cabs Queensland transaction.

Operating personal transport vehicles is now underway with Company run Taxis on the road in Brisbane and Adelaide, an activity that can be scaled up and extended into additional markets.

Mergers and Acquisitions

Yellow Cabs Queensland adds approximately 1200 vehicles to the affiliated fleet from July 2017, increasing our scale and moving us towards our goal of providing personal transport on a national basis.

We have a strong and flexible balance sheet and are well placed to consider acquisition opportunities that complement our core business in a manner that benefits shareholders.

Demand for personal transport is growing and we are well placed to service the requirements of all members of the community

Board of Directors

Paul Oneile
Independent Chairman

Paul was appointed as Chairman in February 2017. He was formerly the independent Chairman of Intecq Limited from September 2012 to December 2016. Paul has over 30 years of executive experience across many industries including leisure and entertainment, retail, manufacturing, property, software and technology. His other executive roles include CEO and Managing Director of Aristocrat Leisure Limited (2003 – 2008), Chairman and CEO of United International Pictures (1996 – 2003), Non-executive Director of Village Roadshow Limited (1990 – 1996), and Managing Director of The Greater Union Organisation Pty Ltd (1990 – 1996). Paul holds a Bachelor of Economics degree from the University of Sydney.

Louise McCann
Independent Non-executive Director

Louise was appointed as a Director in August 2017. She is currently a Non-executive Director of Macquarie Media Limited, Credit Union Australia Limited, Grant Thornton Australia and the University of Notre Dame Australia. Louise was previously a Non-executive Director of iiNet Limited (2011 – 2015). Louise has over 25 years' experience in media, publishing and market research in Australia and internationally. Her previous executive roles include CEO for Asia and Managing Partner for Australia for Hall & Partners (2009 – 2012), CEO and Chairman of Research International (ANZ) (2004 – 2009), and CEO of OzTAM Pty Ltd (2001 – 2004). Louise holds a Master of Management from Macquarie Graduate School of Management, is a fellow of the Australian Institute of Company Directors, the Institute of Managers and Leaders, and the Royal Society for Arts, Manufacturers and Commerce.

Donnald McMichael
Independent Non-executive Director

Donn was appointed as a Director in June 1996. He is a member of the Audit and Risk Committee and a member of the Remuneration and Nominations Committee. Donn has deep operational experience in the personal transport industry. He has served on the Board for over 20 years. Prior to this he was Chairman of Aerial Capital Investments Pty Ltd (1987 – 1998) (formerly Aerial Taxi Co-Op Society Limited), a Director of Taxis Australia Pty Ltd (1992 – 2000), a Director of Canberra Taxi Industry Association Ltd (1989 – 1998) and a Director of Yellow Cabs (Canberra) Pty Ltd (1998 – 2002). Donn has served on a number of not-for-profit Boards and is currently the CEO of the Noah's Ark Resources Inc.

Clifford Rosenberg
Independent Non-executive Director

Clifford was appointed as a Director in August 2017. He is currently a Non-executive Director of Afterpay Touch Group Limited, Pureprofile Limited and Nearmap Limited.Clifford has over 20 years' experience in the digital space as an entrepreneur and as an executive, with specific experience in disrupting businesses. His previous executive roles include Managing Director, South-East Asia, Australia & New Zealand for LinkedIn (2009 – 2017), Managing Director of Yahoo! Australia & New Zealand (2003 – 2006) and Founder and Managing Director of iTouch Australia and New Zealand, one of the largest mobile content and application providers in Australia. Clifford holds a Master of Science in Management from the Ben Gurion University of the Negev, and a Bachelor of Business Science (Honours) in Economics and Marketing from the University of Cape Town.

Richard Millen

Independent Non-executive Director

Rick was appointed as a Director in June 2014. He is the Chairman of the Audit and Risk Committee and a member of the Remuneration and Nominations Committee. He also served as Chairman from November 2016 to February 2017. Rick has extensive experience in corporate transactions, corporate finance and accounting. Having spent over 30 years with PwC, his senior executive roles at the firm included leading its first Corporate Finance practice and subsequently the firms' broader Advisory practice. Rick has a strong background in corporate responsibility. He led PwC's internal Corporate Responsibility agenda and is currently a Director of Australia for UNHCR. Rick holds an MA Hons Jurisprudence (Law) from Oxford University, is a graduate of the Australian Institute of Company Directors and is a member of the Institute of Chartered Accountants in Australia and New Zealand.

Andrew Skelton

Chief Executive Officer and Managing Director

Andrew Skelton was appointed CEO in June 2014 and Managing Director in December 2014. Andrew was the Group Corporate Counsel and Company Secretary from December 2011 until his appointment as CEO. Andrew has over 15 years of experience in the personal transport industry. He has held senior management and executive roles in Taxi Network payments and operations, including as Chief Operating Officer of Black Cabs Combined Pty Ltd from 2005 to 2011. Prior to this Andrew was a practising solicitor at K&L Gates in Melbourne specialising in mergers and acquisitions. Andrew holds an MBA, Bachelor of Laws, Bachelor of Commerce and a Graduate Diploma of Applied Corporate Governance.

Trudy Vonhoff

Independent Non-executive Director

Trudy was appointed as a Director in August 2015. She is the Chairman of the Remuneration and Nominations Committee and a member of the Audit and Risk Committee. Trudy is currently a Director of Ruralco Holdings Limited, AMP Bank Limited and Tennis NSW Limited. Trudy has a strong finance and risk management background in the financial services industry. She has held senior executive positions with Westpac and AMP, including leading Westpac's Commercial Banking and Agribusiness unit. Trudy holds a Bachelor of Business from the Queensland University of Technology, a Master of Business Administration from the University of Technology Sydney and is a graduate of the Australian Institute of Company Directors.

Executive Team

Andrew Skelton

Chief Executive Officer and Managing Director

Andrew Skelton was appointed CEO in June 2014 and Managing Director in December 2014. Andrew was the Group Corporate Counsel and Company Secretary from December 2011 until his appointment as CEO. Andrew has over 15 years of experience in the personal transport industry. He has held senior management and executive roles in Taxi Network payments and operations, including as Chief Operating Officer of Black Cabs Combined Pty Ltd from 2005 to 2011. Prior to this Andrew was a practising solicitor at K&L Gates in Melbourne specialising in mergers and acquisitions.

Andrew holds an MBA, Bachelor of Laws, Bachelor of Commerce and a Graduate Diploma of Applied Corporate Governance.

Sheila Lines

Chief Financial Officer

Sheila Lines commenced as Chief Financial Officer in 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 holds 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 in 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.

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.

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 holds a Bachelor of Computing (Business Systems) from Monash University and is a graduate of the Royal Military College Duntroon.

Deon Ludick

Chief Technology Officer

Deon Ludick commenced as Chief Technology Officer in July 2016. Deon joined Cabcharge from Macquarie Group Ltd where he held the position of Director Digital Delivery since 2015. Deon has held several senior technology related roles, including Program Director at Woolworths, responsible for rolling out transformational technology to 200,000 employees and Head of Mobile at Westpac Banking Corporation. Deon holds a diploma from the Computer Users Council in South Africa.

Operating and Financial Review

Principal Activities

Cabcharge provides reliable, efficient and affordable personal transport solutions. Cabcharge serves Passengers, Drivers and Taxi Operators by facilitating bookings, trips and payments. Cabcharge is a key participant in Australia's personal transport industry. It is the largest processor of Taxi payments and approximately one third of Taxis in Australia are affiliated with Cabcharge's 13CABS and Silver Service Network.

Payments

Cabcharge provides FAREWAYplus terminals fitted in Taxis which enable Drivers to process non-cash Taxi fare payments via credit and debit cards, or using a Cabcharge Corporate Account product. Cabcharge Corporate Accounts provide corporate Clients with a range of payment solutions to charge Taxi expenditure on account and which provide trip information to enable efficient management of travel expenditure.

Passengers using our Taxi Networks are able to store Cabcharge FASTCARD, credit and debit cards in our 13CABS and Silver Service booking apps for a convenient end of trip payment experience.

In December 2016 Cabcharge started providing Taxi and Hire Car Drivers with handheld terminals which travel with the Driver, branded Spotto (Taxi) and Giraffe (Hire Cars).

Cabcharge receives service fee income on non-cash Taxi payment services based on the value of the fare processed with the exception of Giraffe for which a monthly rental income is received.

Bookings and trips

Cabcharge provides Taxi Network services to Taxi Operators and Drivers in Sydney, Melbourne, Adelaide, Newcastle, regional Victoria and the Northern Territory.

These Networks (predominantly operating under the 13CABS and Silver Service brands) provide branding and facilitate efficient bookings via world class apps, web based booking and call centre operations. They also provide full Taxi fit outs and repairs to assist Operators in managing a high-quality fleet of cars; vehicle finance and insurance to assist Operators as small business owners; and Driver education, training and uniforms to support service levels for Passengers. Networks also broker Taxi licence plates on behalf of the owner to Taxi Operators affiliated with the Network.

In July 2017 Cabcharge acquired Yellow Cabs Yellow, the largest Taxi Network in Brisbane.

Cabcharge receives a fixed monthly fee from Taxi Operators for Network subscriptions which represent the majority of Taxi Network revenue. Brokered Taxi plate licence income and payments to the owner are on a monthly fee basis set by market conditions for each type of Taxi licence plate. This service does not generate significant net margin for Cabcharge, however acting as an intermediary in the Taxi plate licence market is an important service for our Taxi Operators and Taxi licence plate owners. Other Taxi related services not included in the Network subscription fee generate revenue as the services are provided.

Other activities

Cabcharge owns a national portfolio of Taxi licence plates which are leased at monthly rates set by market conditions for each Taxi plate licence type. School bus route services in Adelaide generate revenue based on contracts for these services with the State Government. Cabcharge also receives income for providing processing services for State and Territory Taxi transport subsidy schemes.

Operating and Financial Review

Strategy and Prospects

Cabcharge's vision for 2021 is to be Australia's leading personal transport business and the first choice for personal and corporate Passengers, the preferred payment and Network service partner for Drivers and Taxi Operators and the employer of choice in the personal transport sector.

Cabcharge sees the following dynamics shaping the industry over the medium term:

- Population growth and economic development will continue to support the Australian transport market
- Increasing population, urbanisation and vehicle costs will continue to facilitate a move towards affordable, convenient personal transport services
- To be the personal transport provider of choice for Passengers and meet this demand, we must win the battleground to recruit and retain Drivers, supported by well-resourced Taxi Operators and a high-quality fleet
- The convenience of payments and mobile technology will continue to facilitate a shift away from cash towards paywave, in-app payments (such as Apple Pay and PayPal) and secure charge accounts like Cabcharge – creating opportunities for payments innovation
- Regulated service fee limits will continue to constrain payments returns in this market for all players.

Cabcharge's expertise within the personal transport industry places the Company in a strong position to continue to provide, and grow, the services offered to Passengers, Drivers and Taxi Operators. Over the medium term, Cabcharge expects personal transport to remain the core of the business, with bookings, payments and services enhanced by technology and mobile.

To achieve Cabcharge's 2021 vision, Management has been focussed on: divesting non-core assets; providing dependable and frictionless services for Passengers; creating a strong Driver value proposition; building adaptive and effective technology platforms; and strengthening the 13CABS and Silver Service brands.

During FY17, Cabcharge made the following progress against its strategic initiatives:

- Divestment of non-core assets: Cabcharge completed the refresh of its balance sheet by divesting its stake in ComfortDelGro Cabcharge (**CDC**), CityFleet Networks Limited (**CFN**), and a Newcastle property – this resulted in total proceeds of $200 million and allowed Cabcharge to reward shareholders with a fully franked special dividend of $0.80 per share
- Building a national platform: Cabcharge reached an agreement to acquire Yellow Cabs Queensland for $19.5 million, expanding Network Services activities to Queensland
- Handheld terminals: Cabcharge launched its handheld payments terminals – Spotto and Giraffe
- Growing technology footprint: Cabcharge completed the rollout of its FAREWAYplus upgrade and launched new Passenger booking and Driver apps which generated strong momentum reflected in increased downloads
- Continued investment in 13CABS as a national brand: Cabcharge upgraded vehicle tracking and status updates, completed the 13CABS rebranding in Sydney and launched a new 13CABS website
- Investment in Cabcharge Account customers: The Cabcharge account offering was upgraded and launched with new customised FASTCARDS which provide real time data
- Investment in people: Cabcharge enhanced the capability of its technology team through a number of strategic hires resulting in the delivery of the new Cabcharge Portal and the launch of handheld terminals during the year.

Financial Results

Table 1: Staturory Basis

	FY17 $M	FY16 $M	Change over PCP
Revenue	**151.9**	**168.8**	**(10.0%)**
Other income	**1.7**	**14.1**	
Expenses	**(105.7)**	**(112.5)**	**6.1%**
Impairment Charges	(8.3)	(27.7)	
EBITDA	**39.7**	**42.7**	**(7.1%)**
Depreciation & Amortisation	(13.7)	(15.6)	
EBIT	**26.0**	**27.1**	**(4.2%)**
Net interest	(1.7)	(0.4)	
(Loss) / Profit before tax	**24.3**	**26.7**	**(9.0%)**
Income tax	(10.6)	(16.4)	
NPAT from continuing operations	**13.7**	**10.3**	**33.3%**
(Loss) / Profit from discontinued operations	(104.3)	15.3	
NPAT	**(90.6)**	**25.6**	**(453.5%)**
EBITDA margin	26.1%	25.3%	
EBIT margin	17.1%	16.1%	
Earnings per share from continuing operations (AUD)	11.4 cents	8.5 cents	
Earnings per share attributable to owners of the company (AUD)	(75.2 cents)	21.3 cents	

Operating and Financial Review

Table 2: Underlying basis excluding significant items

	FY17 $M	FY16 $M	Change over PCP
Revenue	**151.9**	**168.8**	**(10.0%)**
Other income[1]	**0.0**	**0.0**	
Expenses[2]	**(103.6)**	**(110.2)**	**6.0%**
Impairment Charges [3]	0.0	0.0	
EBITDA	**48.4**	**58.6**	**(17.4%)**
Depreciation & Amortisation[4]	(13.7)	(13.9)	
EBIT	**34.7**	**44.7**	**(22.4%)**
Net interest[5]	(1.7)	(4.9)	
Profit before tax	**33.0**	**39.8**	**(17.1%)**
Income tax[6]	(11.7)	(11.5)	
NPAT from continuing operations	**21.3**	**28.3**	**(24.9%)**
EBITDA margin	31.8%	34.7%	
EBIT margin	22.8%	26.5%	
Earnings per share from continuing operations (AUD)	17.7 cents	23.5 cents	
Earnings per share attributable to owners of the Company (AUD)	23.9 cents	36.2 cents	

1 Excludes gain on sale Newcastle property $1.7M ($14.3M in FY16, gain on sale Riley St property)
2 Excludes $1.6M write-off capitalised development costs and $0.5M employee separation costs ($2.3M in FY16)
3 Excludes non-cash impairment charges on Taxi plate licences
4 Excludes $1.7M accelerated amortisation on NSW wheelchair accessible Taxi plate licences in FY16
5 Excludes $4.5M gain on sale of shares in ComfortDelGro Corporation Limited in FY16
6 Excludes tax effect of significant items

Revenue

Revenue declined 10%, or $16.9 million to $151.9 million (FY16: $168.8 million).

Of this decline $11.4 million relates to Taxi service income where lower volumes reduced revenue by $9.7 million and changes in regulated service fee limits reduced revenue by $1.7 million compared to FY16. The volume reduction was driven by both competition from alternative Taxi payment processors and pressure on total Taxi trip volumes due to alternative transport providers including Uber.

In December, Cabcharge launched Spotto and Giraffe handheld terminals with strong take-up over 2H17. Of the total $950 million of Taxi fares processed by Cabcharge for FY17, $22.3 million was processed through the new handheld products and at June the annualised volume of fares processed through handheld terminals had reached $71 million.

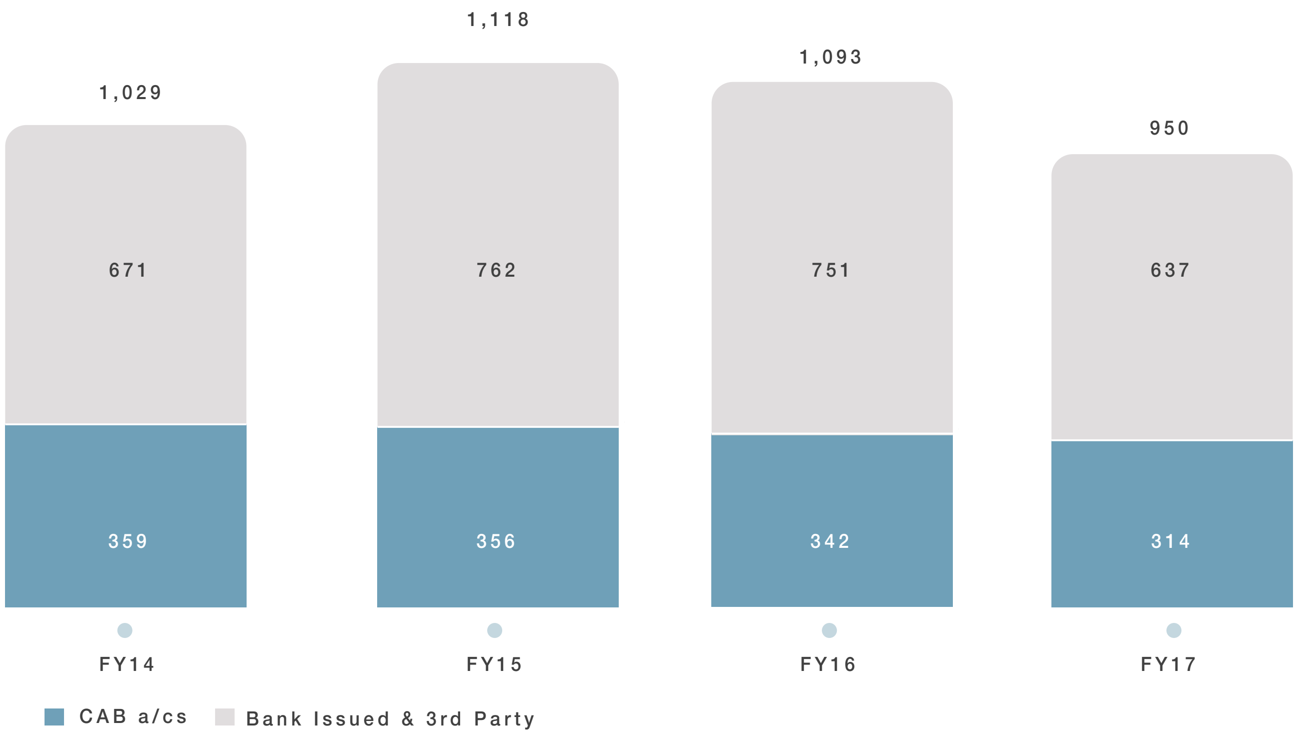
Network subscription fee income was $0.9 million lower, reflecting a 1.2% decline in the car fleet. This decline was driven by New South Wales regulatory policy on plate fee levels for annual plates leased by the Government, which resulted in a return of Taxi licence plates by Taxi Operators. Fleet grew in Adelaide and remained stable in Victoria.

Brokered Taxi plate income was $1.7 million lower due to lower market rates in New South Wales for Taxi plate leases compared to the prior year. Volumes of brokered plates remained stable. This reduction in revenue has been substantially offset as lower market rates also resulted in a corresponding lower expense for brokered Taxi plate licence fees paid to the owners.

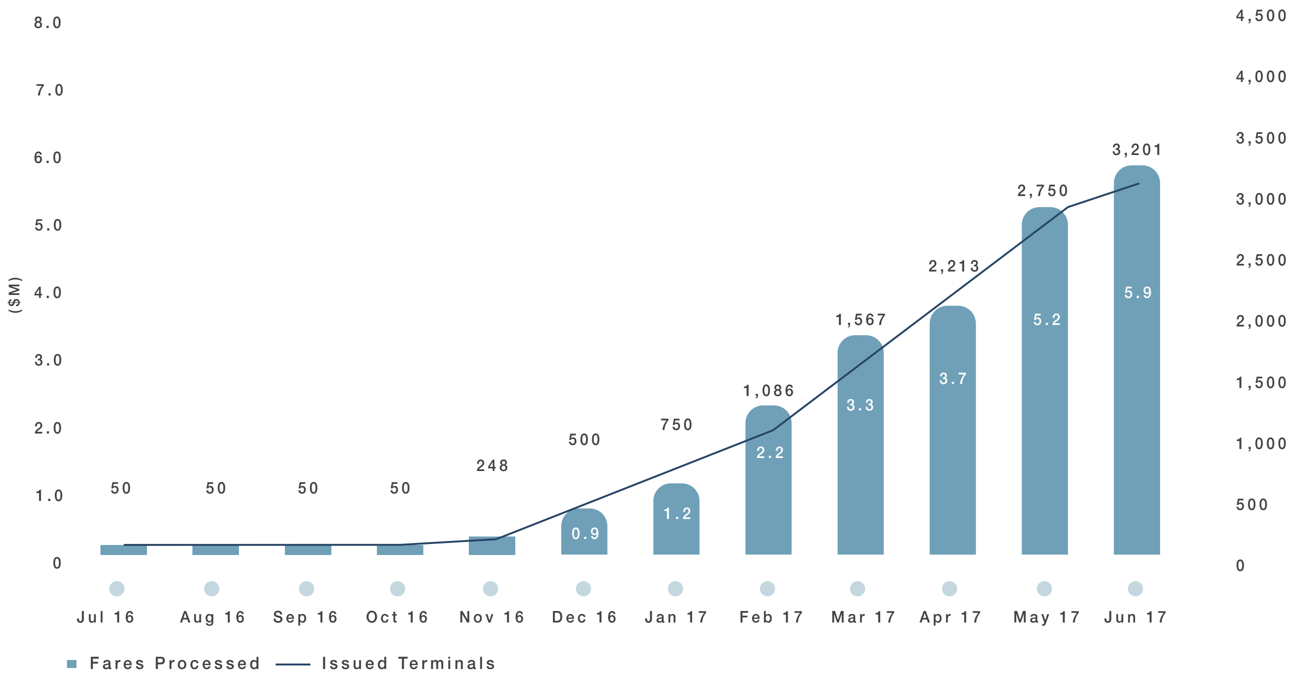
Lower Network fleet activity also resulted in lower demand for other Taxi related services income and vehicle financing income which declined $1.2 million and $0.6 million respectively.

Income from Cabcharge's portfolio of owned Taxi licence plates declined $1.9 million driven by lower average market rates for plates in the various States and Territories over the prior year reflecting the impact of regulatory reform in various States over this 24 month period. June monthly plate income was $0.3 million ($3.6 million on an annualised basis) excluding income on our Victorian plates which, following implementation in July 2017 of regulatory reforms announced in 2016, will not attract plate fees in the future.

Total Taxi fares processed ($m)



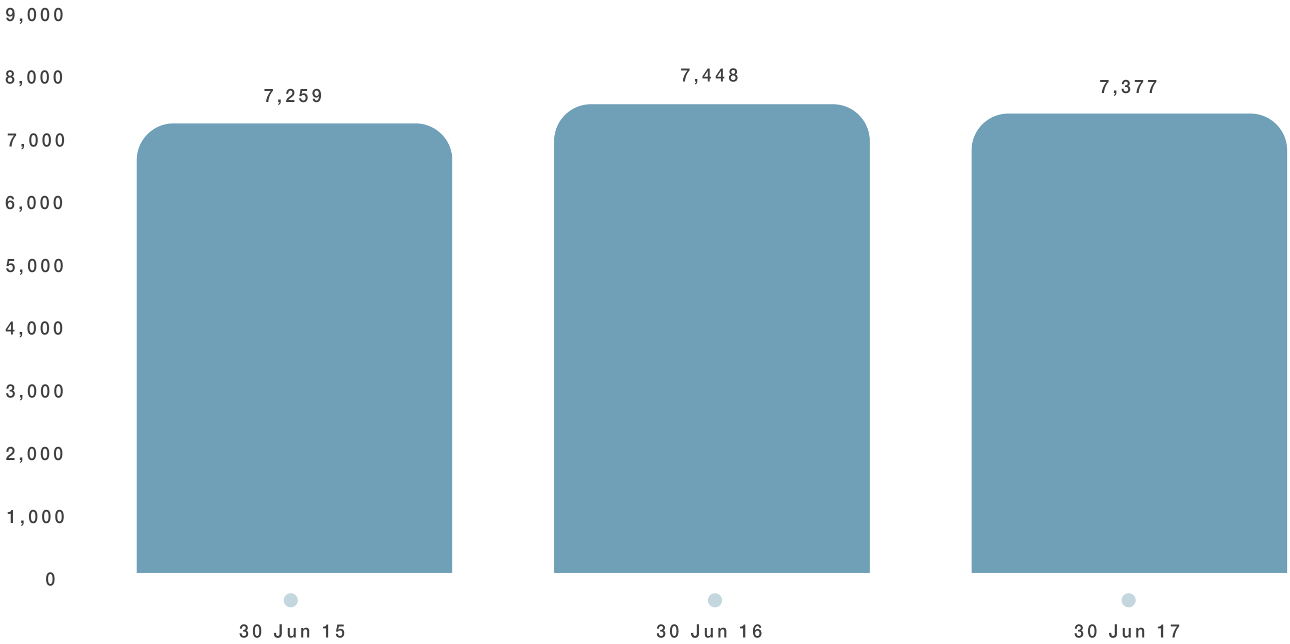
Handheld Taxi fares processed



* includes all categories of transactions

Operating and Financial Review

Fleet



Other income

In keeping with our strategy of releasing liquidity from non-core assets, in FY17 we sold a property located in Newcastle New South Wales for a $1.7 million gain which is included in other income. Prior year other income included a $14.1 million gain on the sale of our Riley Street property in Sydney.

Expenses

On a Statutory basis, total operating expenses decreased 18.1% to $127.7 million (FY16: $155.9 million). On the underlying basis (see table 2) total operating expenses reduced 5.5% to $117.3 million.

Volume driven expenses

Processing fees to Taxi Networks reduced $1.2 million due to reduced total volume of fares processed compared to the prior year. Brokered Taxi plate licence costs reduced $1.5 million due to lower average market rates in New South Wales in FY17 while volumes remained stable. As noted under Revenue, the associated revenue for brokered Taxi licence plates reduced $1.7 million. Other Taxi related costs reduced $2.6 million reflecting the lower activity (and therefore materials and expenses) which also reduced other Taxi related service income $1.2 million. Transaction processing expenses reflect the production costs of the Cabcharge Account products and are $1.5 million lower than prior year. The prior year included a complete upgrade of FASTCARDs and production efficiencies were achieved in the current year.

In total, volume driven cash expenses reduced $6.8 million compared to the prior year.

Expenses not directly relating to volume drivers

On a Statutory basis, employee benefits expense increased $1.1 million or 3% compared to the prior year. On an underlying basis, which excludes separation costs of $0.5 million in FY17 and $2.3 million in FY16, employee benefits expense increased $2.9 million or 7% due to additional Information Technology labour resources and pay increases in FY17.

General and administrative expenses decreased $2.6 million or 12% compared to the prior year. Of this reduction $1.2 million related to marketing expenditure which reduced from $4.6 million to $3.4 million. Cabcharge focused on investment in Information Technology resources to further develop its products in FY17, including the 13CABS app and the Cabcharge Plus portal. This resulted in a delay in related marketing expenditure impacting FY17 marketing expense. In the last quarter marketing activities and associated expense increased. Excluding the marketing expense reduction which was driven by timing and is not a permanent reduction, general and administrative expenses reduced $1.4 million due to efficiency initiatives.

Combined, depreciation and amortisation expenses decreased $1.9 million on a statutory basis and $0.2 million on an underlying basis, compared to the prior year. In the prior year our Wheel Chair Accessible Taxi licence plates in New South Wales were fully amortised, resulting in additional $1.7 million in amortisation expense after announcement of regulatory reforms affecting the lease income on this class of Taxi licence plates.

Impairment charges of $7.9 million in FY17 and $27.7 million in FY16 relate to our portfolio of Taxi licence plates. Over the last 24 months regulatory reforms affecting Taxi plate licence income have been announced in New South Wales, Victoria, South Australia and Queensland. The impairment charges reflect the lower expected future income from our portfolio over their remaining life following these reform announcements.

During FY17 Cabcharge wrote-off $1.6 million in development costs previously capitalised to adjust carrying values on individual assets to current assessment of future economic value. The largest individual item was $1.1 million in relation to a project to develop an in car security camera. With new more cost effective externally developed cameras available in the market, Cabcharge decided to cease in-house camera development.

Other expenses in FY17 include $1 million in the lease back expense following the June 2016 sale of the Riley Street premises in Sydney. The lease back period is for two years with two further six month options to renew. This expense was not incurred in FY16. Excluding the lease back expense other expenses decreased $1.1 million due to efficiency initiatives.

In total, statutory non-volume driven expenses decreased $21.4 million. Excluding non-cash expenses being impairment charges, capitalised development costs written off, depreciation and amortisation expense statutory non-volume driven expenses decreased $1.6 million in FY17. On an underlying basis, after adjustment for separation costs, cash non-volume driven expenses decreased $1.3 million.

Net finance costs

Net finance costs increased $1.3 million in FY17. FY16 finance income included a $4.5 million gain on the sale of shares in ComfortDelGro Corporation. Excluding this prior year gain, net finance costs reduced $3.2 million as a result of lower debt balances and a $0.4 million gain on termination of an interest rate swap used for hedging purposes after the application to loan balances of proceeds from the completion of the sale of the 49% Associate interest in CDC in February 2017.

Income tax expense

The income tax effective rate on pre-tax profit from continuing operations of 44% (FY16: 61%) is affected by the non-tax deductibility of impairment charges in FY17 and FY16.

Discontinued Operations

The loss from discontinued operations net of tax of $104.3 million (FY16: $15.3million profit) reflects the sale of Cabcharge's 49% minority interest in CDC and CFN. These transactions form part of Cabcharge's strategy to divest its non-core assets. Components of discontinued operations include earnings up to the date of sale of the Associates, previously recorded impairment charges in relation to CFN, the differential from realised value on sale to balance sheet carrying values in assets and reserves. Details of the components of discontinued operations are disclosed in the financial statements.

Cabcharge sold its 49% investment in CDC on 21 December 2016 for $184.0 million, net of transaction costs, to the majority shareholder in CDC, ComfortDelGro. The transaction completed on 15 February 2017. In addition on sale CDC repaid a $18.8 million non-current loan due to Cabcharge.

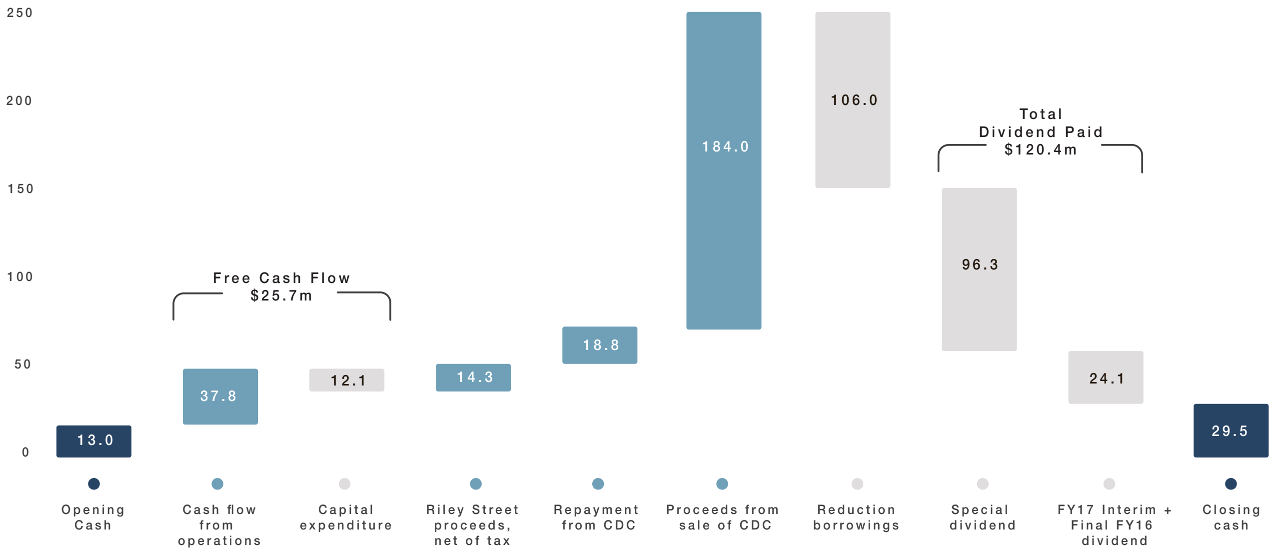
Cabcharge sold its 49% investment in CFN in June 2017 for £7.9 million to the majority shareholder in CFN, ComfortDelGro. Sale proceeds were received after 30 June 2017.

Operating and Financial Review

Profit after Tax

Cabcharge made a net profit after tax from continuing operations of $13.7 million in FY17 (FY16: $10.3 million) on a Statutory basis. On an Underlying basis, Cabcharge's net profit after tax from continuing operations was $21.3 million in FY17 (FY16: $28.3 million), with service fee income from Taxi payments the largest driver of the change.

Cash Flow



Cash flow from operations of $37.8 million represents a 102% conversion of cash profit (profit after tax and before depreciation, amortisation, impairment charges and capitalised development costs written-off). This high conversion ratio is consistent with prior years and reflects the short working capital cycle in our operating business model.

Capital expenditure was $1.7 million less than combined depreciation and amortisation expense for FY17. Of the $12 million in capital expenditure, $6.2 million related to eftpos infrastructure for processing Taxi payments (FY16:$11.5 million) and $3.4 million related to capitalised software development (FY16: $3.3 million). The reduction in eftpos infrastructure in FY17 reflects the completion in December 2016 of a two year programme of installation of the FAREWAYplus in approximately 22,000 Taxis across Australia.

The sale of Riley Street was completed in FY16 and the proceeds were received in FY17.

Proceeds from the sale of our 49% Associate interest in CDC ($184 million) and repayment by CDC of a loan owed to Cabcharge ($18.8 million) were applied to a special dividend ($96.3 million) and reduction of borrowings ($106 million).

Final FY16 and interim FY17 dividends paid in the year totalled $24.1 million, 94% of free cash flow from (cash flow from operations less capital expenditure) of $25.7 million for FY17.

Balance Sheet

	Jun 2017 ($M)	Jun 2016 ($M)
Cash and cash equivalents	29.5	13.0
Other current assets	83.2	85.1
Total current assets	**112.7**	**98.1**
Investments in associates	-	296.6
Property, plant and equipment	35.4	40.2
Taxi plate licences	33.2	41.2
Other non-current assets	35.3	55.0
Total non-current assets	**103.9**	**433.1**
Total assets	**216.6**	**531.2**
Loans and borrowings	3.7	109.7
Other liabilities	31.8	34.5
Total liabilities	**35.4**	**144.1**
Total net assets	**181.2**	**387.0**
Net Debt/Equity	(14.2%)	25.0%

The Company's net assets as at 30 June 2017 decreased to $181.2 million from $387.0 million at 30 June 2016 primarily due to the special dividend of $96.3 million paid after the sale of the CDC Associate interest and due to the $104.3 million loss from Discontinued Operations.

Investment in associates decreased due to the sale of both Associates in FY17 and Other non-current assets decreased due to the repayment on sale of CDC of a non-current loan of $18.8 million owed to Cabcharge. Loans and borrowings decreased as all outstanding bank borrowings were repaid from the proceeds of the sale of CDC.

The Company has reduced its finance facility limits from $160 million to $100 million following the sale of CDC, reducing commitment fee expense for unused lines of credit.

The net debt (cash) to equity ratio was (14.2%) at 30 June 2017 (30 June 2016: 25.0%). The available liquidity at 30 June 2017 was $129.5 million (30 June 2016: $107 million), consisting of $29.5 million in cash (2016: $13 million) and $100 million in unused facilities (2016: $94 million).

Two asset sales in FY17, our 49% Associate interest in CFN for £7.9 million and our Newcastle property for $3 million settled after the year end. The acquisition of Yellow Cabs Queensland for $19.5 million completed and settled after the year end.

Outlook

Cabcharge's investment in technology and brand positioning is crucial in providing a future growth platform for the Company. To this end, Cabcharge plans to invest in FY18 up to an additional $8 million in marketing and in uplifting our technology resource capabilities. We believe our commitment to becoming the first choice for Passengers, Drivers, Taxi Operators and employees will give us a sustainable, long-term competitive position.

Cabcharge will continue to invest in new Taxi Payment technologies, including the national roll-out and Driver take-up of Spotto.

Cabcharge remains committed to growing fleet numbers through our compelling Taxi Service offering. We anticipate the introduction legislation to reduce the cost of licences in Victoria (to an annual licence fee of $50) will provide significant opportunities for fleet growth. Conversely, in New South Wales no new plates are being issued and we expect that dynamic to continue in FY18.

We will continue to deliver better experiences for Passengers and Drivers through exploration of vertical integration opportunities as a Taxi Operator. A core focus for FY18 will be to commence integration of the recently acquired Yellow Cabs Queensland.

Operating and Financial Review

The personal transport industry is large and growing and remains at the core of our business. While Cabcharge has faced various regulatory and competitive hurdles we remain in a position of market strength and have the potential to fully capitalise on current industry dynamics.

The recent conclusion of reviews and legislative implementation at Federal, State and Territory levels provides the industry with regulatory certainty for the foreseeable future. We expect the previously announced Taxi payment service fee limit in Queensland will be implemented during 1H18.

Our balance sheet is in a strong position to support our near-term goals while maintaining flexibility for future growth initiatives.

Material Business Risks

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

The risks 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. As at 30 June 2017, in all States and Territories other than Queensland and Tasmania, a 5% limit on payment service fees has now been implemented. Queensland is expected to implement a 5% limit on payment service fees in 1H18. It is possible that Taxi Regulators may impose lower limits on the level of service fees able to be charged to Cabcharge customers thereby potentially impacting revenue and earnings. It is also possible that Taxi Regulators may also change rules around required standards and quality control aspects of Taxi Networks. Taxi Regulators may affect the value of Taxi plate licences through setting supply of new Taxi plate licences and setting rates for Government leased Taxi plate licences. In addition, changes in Taxi regulation, including establishing a regulatory environment for non-Taxi transport can indirectly affect the value of Taxi plate licences. Taxi Regulators may also restrict the supply of Taxi plate licences which limits growth opportunities for the Taxi Industry.	Work with Taxi Regulators on issues affecting the Taxi Industry. Advocate for and deliver standards and controls that result in maintaining or improving the standards of customer service and safety that are essential to transport user confidence. Maximise opportunities for Cabcharge presented by new point to point regulatory frameworks. We test our portfolio of Taxi plate licences for impairment at each reporting date.
Changes to competitive landscape / Changes to IT environment	Continued emergence of competitors in personal transport who offer alternative service and payment methods, both within and outside the regulatory framework, or subject to less stringent regulation. Potential loss of business if the Company fails to keep pace with technological change with respect to Network Operations, bookings and payments.	Be at the forefront of Taxi Network app development and integrate bookings and payments. Continue investment in technology and marketing as reflected by: • the launch and growth of handheld terminals Spotto for Taxi Drivers and Giraffe for Hire Cars • Upgrades and added features to the 13CABS and Silver Service Taxi apps • Cabcharge payments gateway and switch, FAREWAYplus • Adoption of a national 13CABS brand.

Corporate Governance Statement

Corporate Governance Statement

The Board of Cabcharge Australia Limited (the **Company** or **Cabcharge**) 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 contribute to the responsible creation of long-term value for the Company's shareholders.

Throughout the year ended 30 June 2017 (**FY17**), the Company's corporate governance arrangements were consistent with the ASX Corporate Governance Council's Principles and Recommendations (**ASX Principles**).

This Corporate Governance Statement is current as at 26 September 2017 and has been approved by the Board.

Corporate Governance Highlights

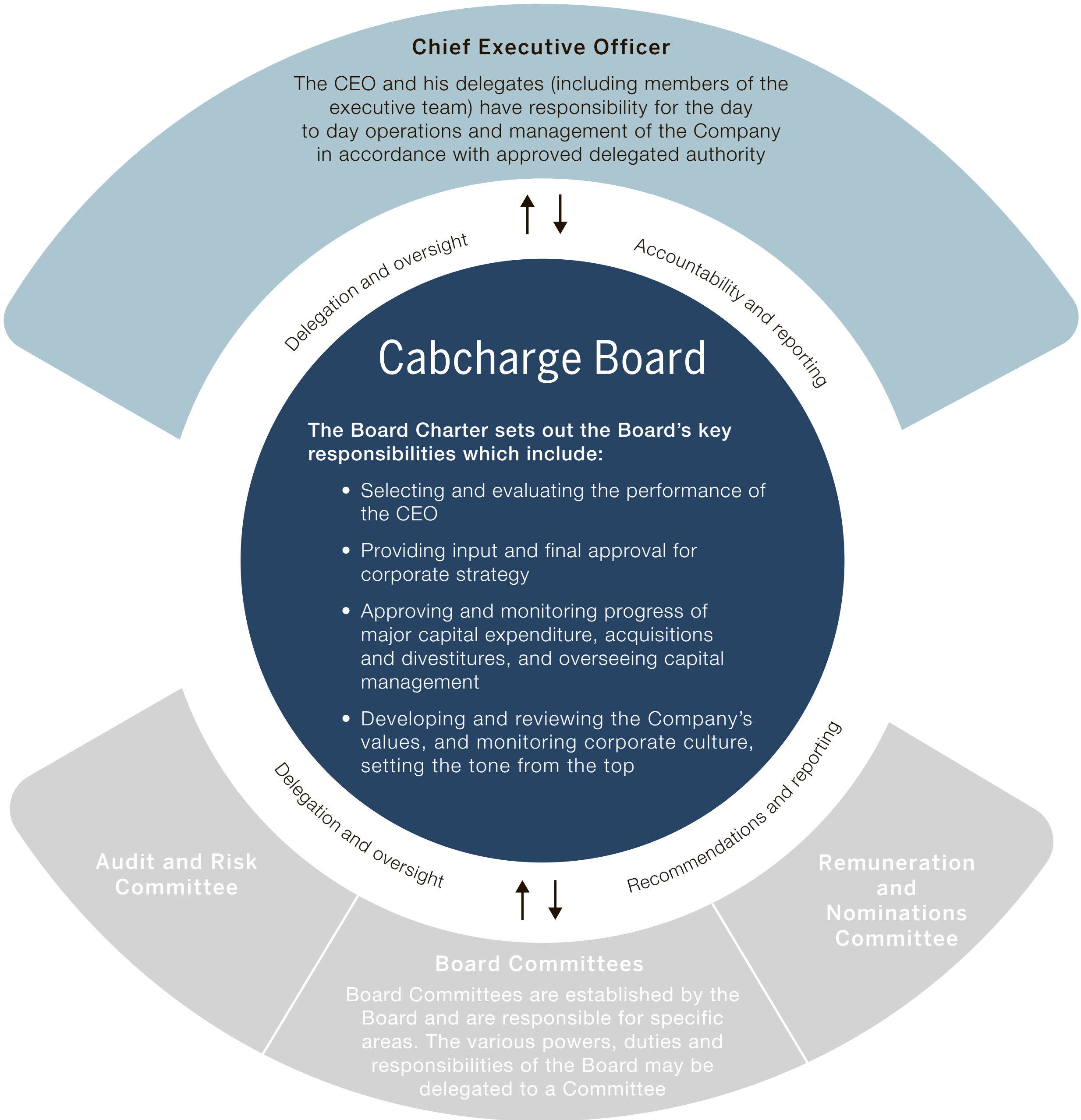
The Company continued to focus on corporate governance during the year reflecting the Board's commitment to fostering a strong governance culture. Key highlights included:

- **Corporate governance benchmarking:**
  A corporate governance benchmarking exercise was conducted in FY17. The results confirmed that the Company's corporate governance policies and charters continue to meet the ASX Principles and reflect best market practice amongst leading ASX companies.
- **Policy refresh:**
  The Company updated a number of its policies, including the Diversity Policy, the Securities Dealing Policy and the Market Disclosure and Investor Engagement Policy, to ensure that they continue to align with best practice standards.
- **Recruitment of new Chairman and Board renewal process:**
  The Board has been undergoing a renewal process over the past year. This resulted in a number of changes to the Board's composition, including the retirement of Russell Balding AO and the resignation of Stephen Stanley in November 2016, the appointment of a new Chairman in February 2017, and the appointment of two Non-executive Directors in August 2017.
- **Committee composition:**
  As a result of changes to the Board's composition, the composition of the Committees was also reviewed during FY17. Trudy Vonhoff was appointed Chairman of the Remuneration and Nominations Committee (**RANC**) (formerly the Corporate Governance Committee) in November 2016.

1. The Board and its Role

1.1 Responsibilities of the Board

The Board has overall accountability for the proper management of Cabcharge and its controlled entities (**Group**). Management is responsible for implementing the Company's strategy and for operating within the risk parameters set by the Board. The respective roles and responsibilities of the Board, its Committees and the CEO are set out in the diagram below.



The Board and Committee Charters are reviewed by the Board at least annually and more frequently if required. A review of the Charters was conducted in FY17 and the Board considers the Charters to reflect best practice. The Board and Committee Charters can be accessed on the Company's website at https://www.cabcharge.com.au/about-us/corporate-governance.

The Company Secretary is responsible for the coordination of all Board business. This includes the preparation of agendas and minutes, co-ordinating the completion and circulation of Board and Committee papers, and communications with regulatory bodies and the ASX.

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

Corporate Governance Statement

1.2 Composition of the Board

There have been a number of changes to the Board's composition over the past two years as the Board has undergone a renewal process in line with its broader succession planning.

Changes during FY17 included the retirement of Russell Balding, AO, and the resignation of Stephen Stanley in November 2016, the appointment of Richard Millen as Chairman of the Board from November 2016 to February 2017, and the appointment of Paul Oneile as Chairman of the Board in February 2017.

Having regard to the need to further expand the skills and experience represented amongst the Directors, Louise McCann and Clifford Rosenberg were appointed to the Board in August 2017. The Board believes that its current composition represents a depth of experience and skills that will allow the Board to continue operating effectively. The skills and attributes of the Board are discussed further in section 1.3.

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

Director	Independent	Date of appointment	Term in office
Paul Oneile Chairman	√	27 February 2017	1 year
Louise McCann Non-executive Director	√	29 August 2017	-
Donnald McMichael Non-executive Director	√	25 June 1996	21 years
Richard Millen Non-executive Director	√	4 June 2014	3 years
Clifford Rosenberg Non-executive Director	√	29 August 2017	-
Andrew Skelton CEO and Managing Director	-	10 December 2014	3 years
Trudy Vonhoff Non-executive Director	√	21 August 2015	2 years

Details of each Director's experience, qualifications and Committee memberships are set out on pages 14 to 15 of the Annual Report.

The number of Board and Committee meetings held during FY17 and the attendances of individual Directors and Committee members at those meetings is set out on page 48 of the Annual Report.

1.3 Skills and attributes of Directors

The Board has developed a skills and attributes matrix that sets out the collective mix of skills and attributes that the Board would like to achieve.

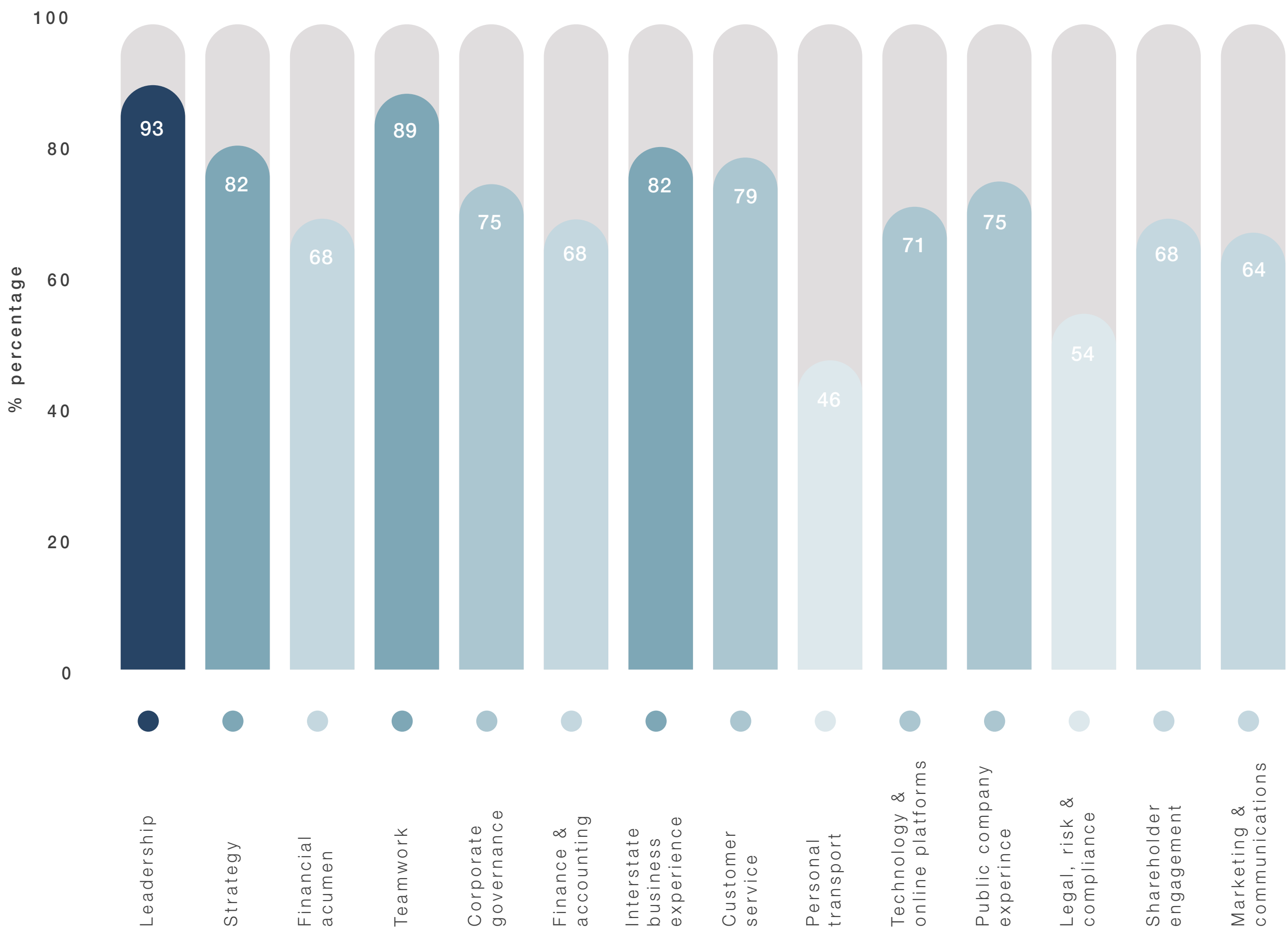
The RANC refers to the skills and attributes matrix when selecting new candidates and also when considering professional development opportunities for current Directors.

The Board is satisfied that the current Directors collectively possess the necessary skills, expertise and industry knowledge to meet the needs of the Company. The Board considers that:

- The collective skills of the Directors will continue to enable the Company to meet its strategic objectives, including those related to the implementation of marketing initiatives and digital platforms in the Payments and Networks operations; and
- There remains an opportunity to enhance the diversity (including gender) of the Board in future years.

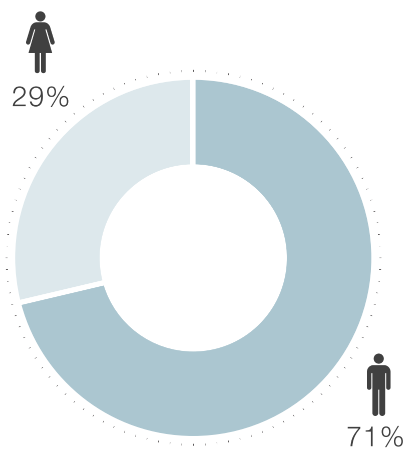
The following diagram sets out as a percentage, the average responses in relation to the skills, experience and attributes of the Directors in office as at the date of this Corporate Governance Statement.

Board Skills Matrix

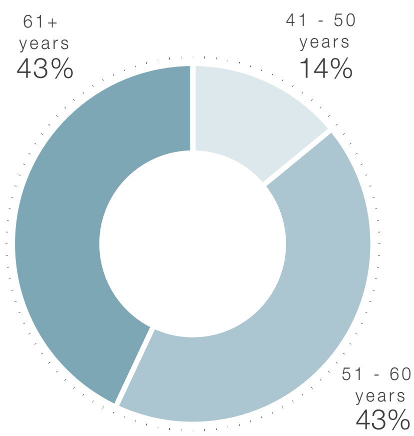


Diversity and Tenure

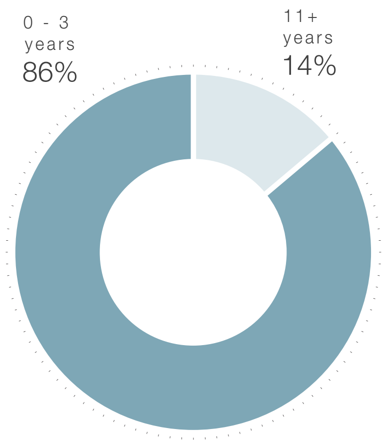
Gender



Age



Tenure



Corporate Governance Statement

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, including an independent Chairman.

The Board has adopted the factors as set out in the ASX Principles relevant for assessing the independence of a Director. In general, a Director may not be considered to be independent if they:

- Are, or have been, employed in an executive capacity by the Company or another Group entity and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- Are, or have been, within the last three years, a partner, Director or senior employee of a provider of material professional services to the Company or another Group member;
- Are, or have been, within the last three years, in a material business relationship with the Company or other Group member, or an officer of, or otherwise associated with someone with such a relationship;
- Are a substantial shareholder of the Company or officer of, or otherwise associated with, a substantial shareholder of the Company;
- Have a material contractual relationship with the Company or another Group member, other than as a Director;
- Have close family ties with any person who falls within any of the categories described above;
- Have been a Director of the entity for such a period that his or her independence may have been compromised; and
- Have any other interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect the Director's 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.

The Board considers that when assessing the independence of a Director, tenure alone should not of itself compromise their independence. The Board recognises that Donnald McMichael is a longstanding Director of the Company but considers that his tenure does not impact on his capacity to bring an independent judgement to bear on issues before the Board. As noted in the 2016 Notice of Meeting in connection with Mr McMichael's re-election as a Director, he will not be serving a full term of three years on the Board. Having regard to the unique and highly specialised nature of the personal transport industry and the relatively short tenure of all other current Directors, Mr McMichael's priority is the transition of his valuable commercial knowledge and experience within the personal transport industry to his colleagues on the Board.

1.5 Succession planning and Director appointments

The Board is responsible for succession planning. The RANC assists the Board with identifying potential Director candidates, having regard to the necessary and desirable competencies identified in the skills and attributes matrix. The overarching principle that applies in selecting Director candidates is that new Directors should possess a mix of skills, expertise and experience necessary to ensure the continued effectiveness of the Board.

All shortlisted Director nominees are interviewed by the RANC and then by the other Directors. The final appointment decision is made by the Board. Detailed background checks are carried out prior to all appointments.

New Directors are put forward to shareholders for election at the first Annual General Meeting following their appointment. The Company will provide shareholders with the information in the Company's possession about a Director candidate that is relevant to that Director's election or subsequent re-election.

1.6 Induction and training

Non-executive Directors are given a letter of appointment setting out the terms of their appointment, time commitment envisaged and the Company's expectations. Directors appointed since the introduction of the Company's Minimum Shareholding Requirement Policy are also informed of the requirement that Directors acquire a meaningful shareholding in the Company (being a holding equivalent to 100% of their base fee within a three year period).

On appointment, Directors receive an induction package which includes access to the Company's Constitution, the Board and Committee Charters 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 they continue to remain up to date on developments relating to law and governance practices, as well as with developments within the personal transport industry 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 their appointment and within a period following their retirement as a Director of the Company.

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 a Director.

2. Board Committees

2.1 Audit and Risk Committee

Audit and Risk Committee

Roles and Responsibility

The Audit and Risk Committee (**ARC**) operates under a Charter. Its key responsibilities and functions are to oversee the Company's:

- Financial reporting process;
- Relationship with the external auditor and the external audit function generally;
- Relationship with the internal auditor and the internal audit function generally;
- Processes for monitoring compliance with laws and regulations and the Code of Conduct and Ethics; and
- Processes for identifying and managing risk.

Membership

The ARC must consist of:

- At least three members;
- Only Non-executive Directors;
- A majority of independent Directors; and
- An independent Director as Chairman, who is not the Chairman of the Board.

The ARC was comprised of the following members in FY17, all of whom were independent Non-executive Directors:

- Richard Millen (Chairman);
- Donnald McMichael (from 24 November 2016);
- Trudy Vonhoff; and
- Russell Balding (until 24 November 2016).

Between 24 November 2016 and 27 February 2017, Ms Vonhoff assumed the role of Chairman of the ARC and Mr Millen became an ordinary member of the Committee. Mr Millen resumed the role of Chairman of the ARC after stepping down from his role as Chairman of the Board on 27 February 2017.

Selection and appointment of the external auditor

The ARC annually reviews the performance of the external auditor and recommends to the Board the approval of the terms of the external audit engagement. The ARC also considers the independence of the external auditor and oversees the external audit partner rotation.

KPMG is the current external 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.

Corporate Governance Statement

2.2 Remuneration and Nominations Committee

Remuneration and Nomination Committee

Roles and Responsibility

The RANC operates under a Charter. Its key responsibilities and functions are to review and make recommendations to the Board in relation to:

- The size and composition of the Board, including reviewing Board succession plans and the succession of the Chairman and CEO;
- The criteria for nomination as a Director and the membership of the Board more generally;
- The remuneration arrangements for the Chairman and other Non-executive Directors of the Board;
- The arrangements for the CEO including contract terms, annual remuneration and participation in the Company's short and long term incentive plans; and
- In consultation with the CEO, the policies and procedures related to remuneration, recruitment, retention, termination and performance assessments of employees.

Membership

The RANC must consist of:

- At least three members;
- Only Non-executive Directors;
- A majority of independent Directors; and
- An independent Director as Chairman.

The RANC was comprised of the following members in FY17, all of whom were independent Non-executive Directors:

- Trudy Vonhoff (Chairman since 23 November 2016);
- Stephen Stanley (Chairman until 23 November 2016);
- Donnald McMichael; and
- Russell Balding (until 24 November 2016).

Ms Vonhoff was appointed as an independent Chairman of the RANC, taking over from Mr Stanley, who resigned in November 2016.

Remuneration of Key Management Personnel

The RANC is responsibile for overseeing and making recommendations to the Board in relation to remuneration of the CEO and the Directors. The CEO, in consultation with the RANC makes recommendations to the Board in relation to the remuneration and performance of the CEO's direct reports. 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 each senior executive (including superannuation entitlements) are contained in written employment agreements between the executive and the Company. Each executive's 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 are set out in the Remuneration Report, at pages 50 to 69 of the Annual Report.

3. Performance Evaluation

The process for the performance evaluation of the Board, its Committees, individual Directors 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 RANC or CEO (where appropriate). The Board or RANC may also engage an external consultant to facilitate the annual performance evaluation process.

In accordance with the Performance Evaluation Policy, the Company undertook performance evaluations of the Board, its Committees, individual Directors and senior executives for the financial year ended 30 June 2017.

A copy of the Performance Evaluation Policy is available on the Cabcharge website at https://www.cabcharge.com.au/about-us/corporate-governance.

The Board

The Board as a whole discusses and analyses its own performance during the year, including suggestions for change or improvement. This process is facilitated by the Remuneration and Nominations Committee.

Committees

The Chairman of each Committee discusses the performance of the Committee with its members. Directors complete a questionnaire relating to the role, composition, procedures and practices of the Board and the Committees.

Chairman of the Board

Non-executive Directors evaluate the performance of the Chairman, led by the Chairman of the Audit and Risk Committee.

Directors

The Chairman conducts interviews with each Non-executive Director separately to discuss individual performance and ideas for improvement.

Chief Executive Officer

The Remuneration and Nominations Committee assesses the CEO's performance against targets (which are set by reference to the strategic objectives of Cabcharge for that year).

Senior Executives

The CEO assesses the performance of each senior executive, in light of the operational and financial responsibilities of the executive and his or her contribution to management and leadership at Cabcharge. The CEO's evaluation is reviewed in consultation with the Remuneration and Nominations Committee.

Corporate Governance Statement

4. Policies and Risk Framework

All of the Company's policies referred to in this section are available on the Cabcharge website at https://www.cabcharge.com.au/about-us/corporate-governance.

4.1 Diversity

Policy and programs

Cabcharge values diversity and inclusiveness in the workforce and recognises that diversity drives its ability to attract, retain, motivate and develop the best talent and deliver the highest quality services to its customers. 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 amended its Diversity Policy during FY17 to modernise it and align it with the Company's current diversity objectives. The Company is developing its diversity objectives to extend beyond gender, to also include cultural background, religion, sexual orientation, age, disability and ethnicity. The Company actively ensures that the Diversity Policy is followed by adopting initiatives, programs and policies such as the following:

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

In accordance with the Workplace Gender Equality Act, the Company has lodged its annual compliance report with the Workplace Gender Equality Agency. The report contains the Company's 'Gender Equality Indicators'. A copy of the report is available on the Cabcharge website at https://www.cabcharge.com.au/about-us/who-we-are.

Measurable objectives

The Board has set measurable objectives for achieving gender diversity. These objectives and the Company's progress towards achieving them for FY17 are set out below.

Objective	Target	Outcome
Diversity awarness		
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.	The Diversity Policy is made available to all employees through the Cabcharge website. Employees are also invited to provide feedback and comments on workplace gender equality.
Recruitment		
Efforts are made to identify prospective appointees who are female.	Recruiter briefings to include diversity requirements.	Recruiters have been briefed regarding Cabcharge's diversity objective and in some cases were required to provide only female candidates.
Efforts are made for any shortlist of prospective appointees to include at least one female candidate.	Any shortlist of prospective appointees should include at least one female candidate.	Shortlists include at least one female candidate in most cases. Some roles did not attract female applicants.
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.	A pay parity exercise has been undertaken and no roles identified where pay parity is of concern.
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.	All 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.

Corporate Governance Statement

4.2 Securities dealing

In June 2017, the Company adopted a new Securities Dealing Policy which is intended to uphold shareholder, investment community and public confidence in the integrity of the market for Cabcharge shares. The policy prohibits Directors, senior executives and other staff members from trading in securities or directing the trade of shares on the basis of inside information or communicating inside information to other people.

The policy allows trading by Directors, senior executives, and nominated employees in specified "trading windows", subject to complying with insider trading prohibitions and on the condition that prior notification of the intention to trade is provided. The trading windows are:

- The one month period commencing at 10.00am on the next trading day after the announcement to ASX of Cabcharge's half-yearly results;
- The one month period commencing at 10.00am on the next trading day after the announcement to ASX of the preliminary final statement or full year results; and
- Any other period the Board determines, from time to time.

The Board may determine at any time that a trading window is closed. Permission to trade outside of these windows may only 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 (ie hedging and other arrangements).

4.3 Market Disclosure and Investor Engagement

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.

In June 2017, the Company adopted a new Market Disclosure and Investor Engagement Policy, which 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, minimising risks associated with selective disclosure and monitoring compliance against the Company's disclosure obligations; 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 Competition and Consumer Act Compliance

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

- Appointment of a compliance officer;
- Employment of experienced and qualified personnel to oversee competition and consumer laws;
- Mandatory CCA training provided to employees to ensure they know their obligations under the CAA;
- A requirement that employees refresh their CCA training at least every two years and each person's training is recorded;
- A direction to all employees to report any compliance related issues and compliance concerns relating to the CCA to the compliance officer; and
- 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.

4.5 Ethics and conduct

All employees are bound by the Company's Code of Ethics and Conduct, 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. 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.

4.6 Environmental, Social and Governance

The Company recognises the interdependence of financial returns, social benefits and environmental impacts and aims to create sustainable value for all its stakeholders – customers, the personal transport industry, employees, shareholders, business partners and the communities which the Company serves.

Environment

Cabcharge seeks to minimise or eliminate environmental harm in its business operations. Although Cabcharge is not a substantial carbon emitter it seeks to reduce usage and increase efficiencies in relation to waste, water and energy to reduce the Company's carbon footprint. Cabcharge follows the principles to reduce, re-use and recycle and actively seeks to improve systems and processes to minimise the operational impact of the Company on the environment. In addition, environmental considerations are now an integral part of new product development.

Community

Cabcharge seeks to become involved in the communities in which it operates and to promote socially responsible practices. Cabcharge believes it is important to pay a role in contributing to the community, both directly, and through involvement in and support of personal transport industry initiatives.

The Company has a strong interest in developing successful community relationships and establishing opportunities for partnerships. Cabcharge recognises the importance of providing its customers and the community more generally with services that are safe, accessible and efficient. For example, the Company sponsors a guide dog, Spotto, consistent with its overarching commitment to providing safe transport to the vision impaired community.

Staff

As set out above, Cabcharge has a strong commitment to diversity at all levels within the Group. The Company encourages innovation, ensures a broad talent pool and responds to the diverse needs of Cabcharge's customers and other stakeholders. The Company has implemented a number of occupational health & safety programs across the business, with a view to ensuring the safety of employees.

4.7 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.

Corporate Governance Statement

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 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.

4.8 Risk identification and management

The Board, in consultation with the ARC, is responsible for reviewing, ratifying and monitoring the Company's systems of risk management. The Committee advises the Board on high-level risk related matters, and oversees processes to ensure that:

- There is an adequate system of internal control and management of business risk; and
- A regular review is undertaken of internal control systems and the operational effectiveness of the policies and procedures related to risk and control.

The CEO and senior management are responsible for developing and promoting the appropriate management of risk and the ongoing maintenance of the control environment. Management are required to report to the ARC on the Company's risk management and internal control systems.

Annual risk management review and declaration

The ARC reviews the soundness of the elements for Cabcharge's risk management framework at least annually.

During FY16 the Company engaged independent consultants to consider the Company's risk management practices. On completion of that project a number of significant changes were made to the Company's risk management framework, including the establishment of a Risk Working Group in October 2016 to monitor and report on risks impacting the Group. As it has not yet been 12 months since the new risk management framework was established, the first annual review is scheduled in October 2017 with a report being provided to the ARC in December 2017.

Consistent with 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, 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.

These declarations were received by the Board prior to the approval of the Group's half year and full year financial statements in FY17.

Internal audit process

The ARC has appointed PwC to carry out the Group's internal audit function. The internal auditor is independent of the external auditor, KPMG. Representatives from the internal auditor meet with the ARC and key senior executives to understand the business and the existing risk management framework and execute a process to identify and understand the current risks facing the business in light of the strategic direction of the Company.

The ARC reviews and recommends to the Board the approval of the annual internal audit plan each financial year. The ARC and management meet with PwC regularly to consider and if necessary refine the internal audit plan.

Economic, environmental and social sustainability risks

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 ARC, the internal audit function and the executive team.

As set out of page 28 of the 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 ARC 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.

Directors' Report

Directors

The Directors of the Company at any time during or since the end of the financial year are:

- Paul Oneile (Chairman) (appointed 27 February 2017)
- Andrew Skelton (Chief Executive Officer and Managing Director)
- Donnald McMichael
- Richard Millen
- Trudy Vonhoff
- Russell Balding AO (retired 24 November 2016)
- Stephen Stanley (resigned 23 November 2016)

Details of the current Directors' qualifications, experience and special responsibilities are set out below.

Paul Oneile
Independent Chairman

Paul was appointed as Chairman in February 2017. He was formerly the independent Chairman of Intecq Limited from September 2012 to December 2016.

Paul has over 30 years of executive experience across many industries including leisure and entertainment, retail, manufacturing, property, software and technology. His other executive roles include CEO and Managing Director of Aristocrat Leisure Limited (2003 – 2008), Chairman and CEO of United International Pictures (1996 – 2003), Non-executive Director of Village Roadshow Limited (1990 – 1996), and Managing Director of The Greater Union Organisation Pty Ltd (1990 – 1996).

Paul has a Bachelor of Economics degree from the University of Sydney.

Andrew Skelton
Chief Executive Officer and Managing Director

Andrew Skelton was appointed CEO in June 2014 and Managing Director in December 2014. Andrew was the Group Corporate Counsel and Company Secretary from December 2011 until his appointment as CEO.

Andrew has over 15 years of experience in the personal transport industry. He has held senior management and executive roles in Taxi Network payments and operations, including as Chief Operating Officer of Black Cabs Combined Pty Ltd from 2005 to 2011. Prior to this Andrew was a practising solicitor at K&L Gates in Melbourne specialising in mergers and acquisitions.

Andrew holds an MBA, Bachelor of Laws, Bachelor of Commerce and a Graduate Diploma of Applied Corporate Governance.

Donnald McMichael
Independent Non-executive Director

Donn was appointed as a Director in June 1996. He is a member of the Audit and Risk Committee and a member of the Remuneration and Nominations Committee.

Donn has deep operational experience in the personal transport industry. He has served on the Board for over 20 years. Prior to this he was Chairman of Aerial Capital Investments Pty Ltd (1987 – 1998) (formerly Aerial Taxi Co-Op Society Limited), a Director of Taxis Australia Pty Ltd (1992 – 2000), a Director of Canberra Taxi Industry Association Ltd (1989 – 1998) and a Director of Yellow Cabs (Canberra) Pty Ltd (1998 – 2002).

Donn has served on a number of not-for-profit Boards and is currently the CEO of Noah's Ark Resources Inc.

Directors' Report

For the year ended 30 June 2017

Richard Millen

Independent Non-executive Director

Rick was appointed as a Director in June 2014. He is the Chairman of the Audit and Risk Committee and a member of the Remuneration and Nominations Committee. He also served as interim Chairman from November 2016 to February 2017.

Rick has extensive experience in corporate transactions, corporate finance and accounting. Having spent over 30 years with PwC, his senior executive roles at the firm included leading its first Corporate Finance practice and subsequently the firms' broader Advisory practice.

Rick has a strong background in corporate responsibility. He led PwC's internal Corporate Responsibility agenda both in Australia (2005 – 2011), and globally (2007 – 2010). He is currently a Director of Australia for UNHCR.

Rick holds a MA Hons Jurisprudence (Law) from Oxford University, is a graduate of the Australian Institute of Company Directors and is a member of the Institute of Chartered Accountants in Australia and New Zealand.

Trudy Vonhoff

Independent Non-executive Director

Trudy was appointed as a Director in August 2015. She is the Chairman of the Remuneration and Nominations Committee and a member of the Audit and Risk Committee. Trudy is currently a Director of Ruralco Holdings Limited, AMP Bank Limited and Tennis NSW Limited.

Trudy has a strong finance and risk management background in the financial services industry. She has held senior executive positions with Westpac and AMP, including leading Westpac's Commercial Banking and Agribusiness unit.

Trudy holds a Bachelor of Business from the Queensland University of Technology, a Master of Business Administration from the University of Technology Sydney and is a graduate of the Australian Institute of Company Directors.

Directorships of other listed companies

The current Directors' directorships of other listed companies held at any time in the last three years immediately before the end of the financial year are set out in the table below.

Directors	Name of Listed Company	Appointment date	Cessation date
Paul Oneile	Intecq Limited	21 September 2012	16 December 2016
Andrew Skelton	Nil	-	-
Donn McMichael	Nil	-	-
Rick Millen	Nil	-	-
Trudy Vonhoff	Ruralco Holdings Limited	1 September 2014	-

Company Secretary

Adrian Lucchese

General Counsel and Company Secretary

Adrian Lucchese commenced at Cabcharge in 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.

Dividend

Dividends paid or declared for payment since the end of the previous financial year are set out in the table below.

Type	Cents per share	Total paid or Declared ($000)	Payment date
Final FY16	10.0	$12,043	31 October 2016
Interim FY17	10.0	$12,043	28 April 2017
Special	80.0	$96,345	28 April 2017
Final FY17	10.0	$12,043	31 October 2017

The final dividend has a record date of 29 September 2017.

Principal activities

The principal activities of the Group are included in the Operating and Financial Review (**OFR**) set out on pages 18 to 28. Other than those mentioned in the OFR, there were no other significant changes to the nature of the activities of the Group during the year.

Review of operations

A review of the Group's operations during the year and the results of those operations, together with its financial position, are included in the OFR set out on pages 18 to 28. The Group's business strategies and prospects for future financial years are also included in the OFR.

Significant changes in state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group during the financial year, other than those changes mentioned in the OFR.

Events subsequent to reporting date

Since the reporting date:

- The Directors declared a final dividend of 10 cents per share (fully franked) payable on 31 October 2017. The record date to determine entitlement to the dividend is 29 September 2017
- The acquisition of Yellow Cabs Queensland was completed on 31 July 2017. The consideration for the acquisition was $19.5 million. As the change in control occurred subsequent to 30 June 2017, there has been no contribution from Yellow Cabs Queensland to the Group's FY17 results
- The Company completed the sale of its 49% interest in CityFleet Networks Ltd on 31 July 2017. The Company received £7.9 million ($12.9 million) from the sale.

No other matter or circumstance has arisen since the reporting date that significantly affects or may significantly affect the Group's operations in future years, the results of those operations in future years, or the Group's state of affairs in future years.

Likely developments

Information about likely developments in the Group's operations is included in the "Outlook" section of the OFR on page 27.

Environmental regulation

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

Directors' Report

For the year ended 30 June 2017

Directors' interests and benefits

The relevant interests and benefits of each Director at the date of this report are set out in the table below.

Directors	Interest in shares
Paul Oneile	10,000
Andrew Skelton	6,861
Donn McMichael	36,030
Richard Millen	35,000
Trudy Vonhoff	22,000

Mr Skelton has been granted performance rights under the Company's Long Term Incentive (**LTI**) plan

FY15 grant (for period ending 30 June 2018)	43,036
FY16 grant (for period ending 30 June 2019)	78,624
FY17 grant (for period ending 30 June 2020)	124,611
Total performance rights	**246,271**

Remuneration Report

The Remuneration Report which is set out on pages 50 to 69 and forms part of this Directors' Report, has been audited as required by Section 308(3C) of the Corporation Act.

Directors' Meetings

The number of Directors' meetings and attendance by each Director at those meetings during the financial year are set out in the table below.

Directors[1]	Board		Audit & Risk[2]		Remuneration & Nominations[2]	
	Held[3]	Attended	Held[3]	Attended	Held[3]	Attended
Paul Oneile[4]	5	5	-	-	-	-
Andrew Skelton	17	17	-	-	-	-
Donn McMichael	17	17	3	3	6	6
Rick Millen	17	16	6	6	2	2
Trudy Vonhoff	17	17	6	6	2	2
Russell Balding AO[5]	7	7	3	3	4	4
Stephen Stanley[6]	6	5	-	-	4	4

1. "Directors" in the table means Directors who were a Director at any time during the financial year.
2. All Directors are invited to and generally attend Board Committee meetings. The Attendance columns in the table reflect attendance by Committee members.
3. The Held columns reflect the number of meetings held during the period in which the Director held office.
4. Appointed as a Director on 27 February 2017.
5. Ceased being a Director on 24 November 2016.
6. Ceased being a Director on 23 November 2016.

Share options and performance rights

There were no options over unissued shares of the Company granted to the Directors or any executives during or since the end of the financial year.

As at the date of this report there are 689,766 performance rights over unissued shares which have been granted to the CEO and other senior executives under the Company's LTI plan. Further information on the LTI plan is included in the Remuneration Report on pages 50 to 69.

Indemnification and insurance of officers and auditors

The Company's Constitution requires it to indemnify current and former Directors (including alternate directors), officers, and auditors (if determined by the Directors) of the Company against liabilities incurred by the person as an officer (or auditor if determined by the Directors).

The Company has agreed to provide indemnities to and procure insurance for past and present Directors and officers 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 and officers 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 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.

Non-audit services by auditors

Details of the non-audit services provided by the Group's auditor, KPMG during the financial year including fees paid or payable for each service, are set out in note 27 to the Consolidated Financial Statements.

The Board has considered the non-audit services provided during the year by KPMG and in accordance with written advice provided by resolution of the Audit and 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 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 and 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 a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Lead auditor's independence declaration

The lead auditor's independence declaration required under section 307C of the Corporations Act is set out on page 70.

Rounding off

Cabcharge is a company of the kind referred to in ASIC Corporation 2016/191 (Rounding in Financial/Directors' Reports) Instrument. In accordance with that Instrument, amounts in the Consolidated Financial Statements and the Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This Directors' Report has been signed in accordance with a resolution of the Directors.

Paul Oneile
Chairman

28 August 2017

Andrew Skelton
Managing Director

28 August 2017

Remuneration Report

Directors' Report - Remuneration Report

(Unaudited)

Letter from the Chairman of the Remuneration and Nominations Committee

Dear Shareholders

On behalf of the Board, I am pleased to present our Remuneration Report for the year ended 30 June 2017 (**FY17**).

The Remuneration Report is intended to demonstrate how our remuneration framework, policies and practices are designed to align executive interests with long-term shareholder value, and to link remuneration outcomes with individual and corporate performance against a range of financial and strategic achievements.

Developing a robust remuneration framework that is responsive to change and aligned with the Company's strategy is a continuous process and is particularly important in times of fierce competition and regulatory change.

The Company undertook a number of important transactions in FY17. The transactions included the divestment of the Company's 49% stake in the CDC Bus Joint Venture (completed on 15 February 2017), the divestment of the Company's 49% stake in CityFleet Networks Ltd and the acquisition of Yellow Cabs Queensland (both transactions settled on 31 July 2017). The successful completion of these transactions has been pivotal in positioning the Company to better compete and grow in the Personal Transport market and enabled a heightened focus on investing in core Payment and Taxi Network services.

Accordingly, throughout FY17, the role of the Remuneration and Nominations Committee (**Committee**) has been to critically evaluate the governance and remuneration structures and processes in place at Cabcharge so that they continue to align with, support and encourage the Company's strategy whilst appropriately focusing and rewarding management to achieve set goals.

Activities undertaken during the year included:

Governance

- Completed the search for and appointment of a new Non-executive Chairman, Paul Oneile who commenced on 27 February 2017;
- Commenced the search for two new Non-executive Directors to strengthen the Board skills in technology and marketing; and
- Updated the Board skills and attributes matrix for inclusion in the Annual Report.

Reward framework

- Undertook a review of the remuneration of the executive key management personnel (**KMP**) which resulted in an overall increase largley attributed to "at risk" remuneration;
- Introduced the deferral of short-term incentives for the CEO, with 25% of his cash-based short term incentive now being deferred and paid in cash in two equal instalments over the next two years;
- Re-weighted the short-term incentive performance measures, with 60% now being set to financial objectives and 40% being set to strategic objectives;
- As approved by shareholders at 2016 annual general meeting:
    - Equalised the weighting between the two long-term incentive performance measures total shareholder return and return on equity (**ROE**); and
    - Adjusted the ROE performance measure having regard to the asset sales and acquisitions that management were instructed to undertake in FY17 and the impact of those strategic projects on the Company.

Setting targets

- Set the CEO's personal targets for FY17; and
- Worked in consultation with the CEO to set the personal targets of the other executive KMP for FY17.

Reviewing Outcomes

- Reviewed and agreed the FY17 STI outcomes for executive KMP.

The Committee considers that good progress has been made during FY17 and is committed to the continual improvement to the Company's remuneration framework.

Yours faithfully

Trudy Vonhoff
Chairman of the Remuneration and Nominations Committee

Remuneration Report

(Audited)

Cabcharge Remuneration Report for the financial year ended 30 June 2017

Contents

This Remuneration Report for the year ended 30 June 2017 outlines the remuneration arrangements of Cabcharge Australia Limited (**Cabcharge** or the **Company**) in accordance with the requirements of the Corporations Act 2001 (**Corporations Act**) and its Regulations. Accordingly, the information in sections 1 to 7 has been audited as required by section 308(3C) of the Act.

1. Overview

Who is covered by this report

This report covers all current key management personnel (**KMP**) of Cabcharge. The KMP have authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly, and include the executive KMP set out in the table below, and each Non-executive Director (**NED**) in table 8.

Table 1: Executive KMP included in this report

Senior executives	Role	Change in FY17
Mr Andrew Skelton	Managing Director and Chief Executive Officer	–
Ms Sheila Lines	Chief Financial Officer	–
Mr Adrian Lucchese	General Counsel and Company Secretary	–
Mr Deon Ludick	Chief Technology Officer	Commenced 18 July 2016
Mr Fred Lukabyo	Chief Operating Officer	–
Mr Stuart Overell	Chief Operating Officer – Taxi Networks	–

Realised remuneration

The details of statutory executive remuneration prepared in accordance with the accounting standards can be found on page 64.

The table below has been prepared to provide shareholders with an understanding of remuneration earned by senior executives in FY17. The amounts disclosed in the table below are intended to provide an explanation of the pay for performance relationship in our remuneration structure and are in addition to the information provided by the statutory executive remuneration table prepared in accordance with the accounting standards.

Table 2: Remuneration earned in FY17 (Non-statutory) (Unaudited)

Executive	Fixed remuneration[1] $	FY16 STI deferred[2] $	STI earned in FY17[3] $	LTI vested in FY17[4] $	Total $
Mr Andrew Skelton	700,000	30,000	342,280	–	1,072,280
Ms Sheila Lines	480,000	–	170,140	–	650,140
Mr Adrian Lucchese	390,000	–	136,335	–	526,335
Mr Deon Ludick	383,250	–	90,820	–	474,070
Mr Fred Lukabyo	440,000	–	91,720	–	531,720
Mr Stuart Overell	415,000	5,000	127,980	–	547,980

1 Fixed remuneration means contracted remuneration amount for base salary and superannuation.

2 Deferred FY16 STI determined and awarded during FY17.

3 STI earned in respect of FY17. For the CEO 75% will be paid in August 2017 and 25% will be deferred and paid in cash in two equal instalments over the next 24 months after payment of the first 75%. For other members of executive KMP, the STI will be paid in August 2017.

4 No LTI grants have yet vested. The first LTI grant is due to vest in September 2018.

Future remuneration strategy

The Board and the Committee are committed to ensuring that Cabcharge's remuneration framework remains responsive, robust and reflective of current market practice and supports the business strategy to motivate, reward and focus the executives.

Adjustments will be introduced progressively, recognising the need to remain flexible and fine-tune the remuneration framework from time to time in an orderly and fair manner for both the Company and our people.

Remuneration Report

2. Remuneration governance

This section describes the roles of the Board, the 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 after consideration of recommendations from the Committee
- Approves remuneration policy for NEDs, CEO and other senior executives after consideration of recommendations from the Committee

Remuneration and Nominations Committee

- Comprises at least three members appointed by the Board
- Must have an independent Chairman and a majority of independent Directors
- Proposes remuneration for NEDs and CEO to the Board
- Undertakes an annual remuneration review
- Sets performance conditions
- The Committee met six times in FY17

For more detail on Cabcharge charters and policies, see: https://www.cabcharge.com.au/about-us/corporate-governance

Management

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

External remuneration consultants and advisors

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

Use of remuneration consultants

The Committee has previously appointed Guerdon Associates as adviser to assist with benchmarking for CEO remuneration. In FY17 Guerdon Associates and the Korn Ferry Hay Group assisted with broad remuneration benchmarking. Guerdon Associates and the Korn Ferry Hay Group were engaged by and reported to the Committee. In FY17 neither Guerdon Associates nor the Korn Ferry Hay Group provided a remuneration recommendation as defined by the Corporations Act.

3. Executive remuneration arrangements

Remuneration principles and link to Company strategy

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

- Align to the business strategy to encourage opportunities to be pursued and executives rewarded accordingly for the creation of long-term shareholder value
- Be supported by a governance framework
- Provide that senior executive and NED remuneration is balanced and market competitive in order to recruit, motivate, reward and retain skilled senior executives and Directors
- Align the interests of senior executives with the long-term interests of the Company and its shareholders with the use of performance-based remuneration
- Set short and long-term incentive performance hurdles that are challenging and linked to the creation of sustainable shareholder returns
- Ensure any termination benefits are justified and appropriate

These principles are reflected in the Company's remuneration framework which is set out below for FY17.

Business Objectives	Remuneration Strategy Objectives	Remuneration Structure
Enhance and expand operational platform for the creation of a sustainable business model for future growth. Focus on creation of shareholder value.	Attract and retain key talent through balanced remuneration, market competitive pay and performance focussed STI and LTI. Focus the senior executive team on the key strategic business imperatives. Align interests of executives and shareholders. STI and LTI plans awarded to senior executives.	**Fixed Annual Remuneration** FAR set with reference to job size and organisations of similar size, complexity and industry dynamics. **Short-term incentives** Cash incentive based on mix of corporate goals (60%) and financial and non-financial hurdles, set at individual business unit level focused on strategic priorities (40%). **Long-term incentives** Performance rights vesting over four years, subject to achievement of absolute TSR and ROE hurdles, with no opportunity to retest performance. **Executive arrangements** Contracts formalising incentive arrangements, and termination and post-termination provisions.

Remuneration Report

Remuneration structure

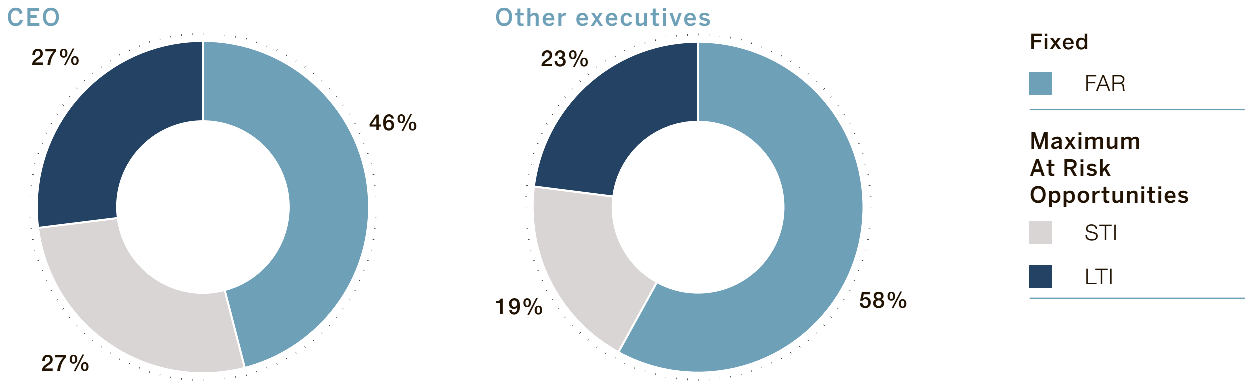
The Company aims to reward senior executives with a level and mix of remuneration appropriate to their position, responsibilities and performance. The overall level of remuneration for each senior executive is intended to be market competitive for the purposes of recruiting and retaining skilled executives.

In FY17, the executive remuneration framework consisted of fixed annual remuneration (**FAR**) and "at risk" remuneration (STI and LTI), with the mix of remuneration intended to reflect the strategic direction and current business strategy of the Company.

The Board and the Committee regularly review the structure and mix of remuneration of the Company, with a view to making adjustments where it is appropriate to support the strategic objectives of the business. This has driven the introduction of STI and LTI plans that allow for setting the "at risk" remuneration components for the CEO and senior executives. The Board and the Committee are committed to continuing this process and intend to keep the matter under review, with the intention of making further changes to the remuneration mix in an orderly and fair manner over time.

In FY17, remuneration benchmarking was undertaken for the executive members of KMP in line with the principles reflected in the Company's remuneration framework set out on page 55.

The following graphs summarise the CEO and other senior executives' remuneration mix for FY17. In line with the Company's stated commitment to better align executive KMP remuneration with market practice and the Company's strategic direction, this year there has been an overall increase in the "at risk" remuneration for both the CEO and other executives (CEO 47% FY16 to 54% FY17; other executives 34% FY16 to 42% FY17).



"STI" in the diagrams above corresponds to the relevant senior executive's maximum STI opportunity, not their STI outcomes for FY17. "LTI" is based on the maximum LTI opportunity granted to senior executives in respect of FY17.

Detail of remuneration elements and incentive plans

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.
How is FAR determined?	FAR is reviewed on an annual basis and 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 regularly review the remuneration structure and to position FAR competitively with reference to Australian listed companies of a similar complexity and industry dynamic to that of Cabcharge.
Why were the FY17 changes made?	The Board reviewed the fixed remuneration of each senior executive in FY17. While benchmarking is a useful starting point it is only one input used by the Board when determining total remuneration for senior executives. During the process of review, the Board took into account internal relativites, experience, tenure in role, individual performance and retention. Changes to FAR are typically implemented and take effect on 1 July of each year.

STI

Details of the FY17 STI plan are disclosed below.

What is the STI plan?	The STI plan provides senior executives with an opportunity to be rewarded for the achievements of the Company, business unit and individual performance measures, further aligning their interests with the strategic priorities of the Company.
Who is eligible to participate?	The CEO and senior executives (being Mr Skelton, Ms Lines, Mr Lucchese, Mr Ludick, Mr Lukabyo and Mr Overell) may participate. All senior executives are party to the Company's contemporary standard executive service agreement which contains provisions regarding senior executive participation in the Company's STI plan.
What is the format for STI awards?	The STI award is delivered in the form of a cash payment that is subject to the satisfaction of performance measures. For the CEO, 25% of any STI award is deferred and paid in cash in two equal instalments over the next 24 months after payment of the first 75% instalment of the STI award.
What is the performance period?	Performance was measured over the full financial year, 1 July 2016 to 30 June 2017.
What is the maximum opportunity for senior executives?	The STI maximum opportunity is set individually and based upon market benchmarks for the remuneration mix. This figure when referenced to FAR is: CEO: 57% of FAR and other executives: on average 33% of FAR.
What are the STI performance measures?	STI awards vest subject to the achievement of Group-wide and individual performance measures. The financial performance measure continues to apply to all senior executives to ensure their common focus on the achievement of the Company's financial objectives. The individual KPIs selected for each senior executive in FY17 were directly linked to the strategic imperatives of the Company and the contributions of the relevant executive towards the achievement of them. An overview of the performance measures for FY17 are:

Role	Scorecard and performance measures
CEO	**Financial performance measure (60% of STI)** Earnings before interest, tax, depreciation and amortisation before associates, less acquisitions, divestments and impairments (**Gateway Hurdle**). 100% of the Gateway Hurdle is $49.4 million. The minimum threshold for the Gateway Hurdle is 90% being $44.4 million, triggering a 35% payment of the financial performance measure. Straight line vesting of 65% will occur between the minimum threshold of $44.4 million and the maximum amount of $49.4 million. If the 90% minimum threshold is not met, no payment will be made under the financial performance measure and, subject to the Board's discretion, the individual KPIs below may be discounted by up to 33%. **Individual KPIs (40% of STI)** • Sell non-core assets and prepare for future growth (10%) • Position the personal transport business and offer service on a national basis (10%) • Grow the Payments business (10%) • Reshape the team to ensure delivery of the strategic plan (5%) • Achieve improvement in Passenger experience (5%)

Remuneration Report

	Other senior executives	**Financial performance measure (60% of STI)** Earnings before interest, tax, depreciation and amortisation before associates, less acquisitions, divestments and impairments (**Gateway Hurdle**). 100% of the Gateway Hurdle is $49.4 million. The minimum threshold for the Gateway Hurdle is 90% being $44.4 million and will trigger a 35% payment of the financial performance measure amount. Straight line vesting of 65% will occur between the minimum threshold of $44.4 million and the maximum amount of $49.4 million. If the 90% minimum threshold is not met, no payment will be made under the financial performance measure and, subject to the Board's discretion, the individual KPIs below may be discounted by up to 33%. **Individual KPIs (40% of STI)** Position-specific KPIs are tailored for each senior executive having regard to their role, responsibility and specific strategic goals over which they have influence. Examples include: • Risk management • ACCC compliance • Driver activations • App downloads and usage • Hand held terminals
	Details regarding the STI outcomes for FY17, based on achievement of the performance measures outlined above, are set out in section 4 of the Remuneration Report.	
How is performance tested?	On an annual basis after the end of the performance period, the Committee considers the CEO's performance against the performance measures 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. During that time, the CEO considers each senior executive's performance against the performance measures set for the year and, in consultation with the Committee, determines the STI to be paid (if any) to each senior executive.	
What happens on a change of control or other significant events?	If a change of control occurs before the end of the performance period, the Board will determine how STI awards will be dealt with. If a change of control occurs before the Board makes a determination, a pro rata amount of the STI award based on the proportion of the performance period that has elapsed at the time of the change of control will be paid. The Board has the discretion to vary the terms of STI awards so that senior executives are not unfairly advantaged (or disadvantaged) by factors outside their control. Any variations will be disclosed and explained in the Remuneration Report.	

Does the plan provide for clawback?	Cabcharge has a clawback mechanism in place, which allows for the repayment of STI awards in cases involving fraud, dishonesty, breach of obligations (including a material misstatement of financial information), or any other omissions that result in an STI outcome. The Board may use its discretion to ensure that no unfair benefit is obtained, subject to applicable laws.
What happens on 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), any entitlement to the STI award will be forfeited at termination of employment. Where employment ends for any other reason, a pro-rata portion of the STI award will remain on foot and will be tested at the end of the original performance period. The Board retains the discretion to vary the treatment set out above based on the specific circumstances surrounding the termination of employment. In respect of the deferred STI, when employment ends after payment of the initial STI instalment but prior to payment of the deferred portion of an STI award: • By reason of fraudulent or dishonest conduct, or termination for gross misconduct, the entitlement to the deferred portion of the STI award will be forfeited at termination of employment • For any other reason, the deferred portion of the STI award will remain on foot and be paid in the ordinary course
Why were the FY17 changes made?	Having regard to the asset sales and acquisitions that management were tasked to undertake in FY17 and the impact of those strategic projects on the Company, the Board adjusted the amount of the financial performance measure from 70% to 60% and increased the strategic performance measures from 30% to 40%. This was to ensure that the STI remained relevant in an environment of significant commercial change and regulatory uncertainty and focused senior management on the important tasks and projects the Board deemed necessary for the Company's success in FY17. For the CEO, 25% of any STI payment is deferred and paid in cash in two equal instalments over the next 24 months after payment of the first 75% instalment of the STI award. To more closely align with market practice the Gateway Hurdle was changed from EBIT in FY16 to EBITDA before associates less aquisitions, divestments and impairments in FY17.

Remuneration Report

LTI

Details of the FY17 LTI plan are disclosed below.

What is the LTI plan?	The LTI plan is offered to senior executives who are able to have a positive impact on the Company's performance by 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?	In FY17, the Company offered LTI awards to the CEO and 5 other senior executives (being Ms Lines, Mr Lucchese, Mr Ludick, Mr Lukabyo and Mr Overell). All senior executives are party to the Company's contemporary standard executive service agreement which contains provisions regarding senior executive participation in the Company's LTI plan.
What is the format for LTI awards?	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. 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 equivalent cash value). Any rights which do not vest immediately lapse.
What is the performance period?	The performance period for the FY17 LTI commenced on 1 July 2016 and will end on 30 June 2020. Subject to the satisfaction of relevant performance measures, the FY17 award under the plan will vest following testing of the performance measures, which is anticipated to occur after the FY20 full year results announcement in or around September 2020.
What is the maximum opportunity for senior executives?	The maximum LTI opportunity is set individually and based upon market benchmarks for the remuneration mix. This figure when compared to FAR is: CEO: 57% of FAR and other executives: on average 40% of FAR 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.
What are the LTI performance measures?	The FY17 award is split into two tranches, each subject to separate performance measures which are independent and tested separately at the end of the performance period: • Tranche one (50% of the total LTI award) will vest subject to the achievement of an absolute total shareholder return target by the Company (**TSR Hurdle**) • Tranche two (50% of the total LTI award) will vest subject to the achievement of a return on equity target by the Company (**ROE Hurdle**) These measures are considered challenging and were chosen as they reflect the Company's focus on increasing shareholder value, profitability and capital efficiency. Further details regarding the performance measures applicable to the FY17 award are set out below. **Tranche one: TSR Hurdle - 50% of the FY17 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 historical 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 • 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 is 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 by the Board in accordance with the following schedule.

Absolute TSR (50% 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.	30%
Between 9% return p.a. and 11% return p.a.	Straight-line vesting between 30% and 100% of the award
11% return p.a. or more	100%

Tranche two: ROE Hurdle – 50% of the FY17 award

Tranche two will vest subject to the achievement of a ROE multiple of the Company's weighted average cost of capital (**WACC**) over the performance period. ROE is based on statutory net profit after tax divided by average equity. WACC is determined by an independent external adviser and the calculation will be retrospectively disclosed in the Remuneration Report following the end of each performance period. The ROE Hurdle requires minimum threshold performance of ROE being at least 1.1 times WACC before any vesting will occur.

ROE was selected as 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.

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

ROE (50% of the total grant value)

Performance outcome	% of award that will vest
Below ROE of 1.1 times WACC	0%
ROE of 1.1 times WACC	35%
ROE between 1.1 times and 1.3 times WACC	Straight-line vesting between 35% and 100% of the award
ROE of 1.3 times WACC or higher	100%

What happens on a change of control or other significant events?

Where a change of control event occurs, the Board has discretion to determine the proportion of LTI awards to vest and may have regard to the executive's tenure, the proportion of the performance period that has elapsed, the extent to which the performance conditions have been satisfied at the time of the change of control and the interests of the Company's shareholders.

If a change of control occurs before the Board exercises its discretion, a pro-rata number of unvested LTI awards will vest based on the extent which the performance conditions are satisfied (or are estimated to have been satisfied) and the proportion of the performance period that has elapsed at the time of the change of control.

The Board may adjust the terms of LTI awards in exceptional situations where participants may be unfairly advantaged (or disadvantaged) by external factors outside of their control. The Board in all circumstances will ensure any variation takes into account the purpose of the LTI plan and achievement against the relevant performance conditions up until the relevant time. Any variations will be disclosed and explained in the Remuneration Report.

Remuneration Report

What happens on termination of employment?	Where employment ends prior to the end of the performance period due to resignation, termination for cause or poor performance, unvested LTI awards will lapse. Where the employment ends for any other reason, unvested LTI awards will continue on-foot and be tested at the end of the original performance period against the relevant performance conditions. However, the Board has an overriding discretion to apply another treatment if it deems it appropriate.
Does the plan provide for clawback?	Cabcharge has a clawback mechanism in place, which allows for the lapsing and/or clawback of LTI awards. In cases involving fraud, dishonesty, breach of obligations (including a material misstatement of financial information), or any other act or omission that result in an inappropriate LTI outcome. The Board may use its discretion to ensure that no unfair benefit is obtained by a participant, subject to applicable laws.
Why were the FY17 changes made?	At the 2016 annual general meeting, shareholders approved the Board's proposal to: • Give equal weighting to the TSR and ROE performance measures so as to reflect the Company's focus on capital efficiency and growth over the next four years • Adjust the ROE performance measures so as to have regard to the asset sales and acquisitions that management were tasked to undertake in FY17 and to ensure the LTI remained relevant in an environment of significant commercial change and regulatory uncertainty.

Executive contracts

The Company has a contemporary standard executive service agreement. Remuneration arrangements for senior executives are formalised in these agreements.

Table 3: Executive contractual terms

Executive	Contract term	Notice Period[1]
CEO	Ongoing	Executive: 12 months Company: 12 months
Other executives	Ongoing	Executive: 6 months[2] Company: 6 months[2]

[1] The Board has the discretion to make payment to senior executives in lieu of notice.
[2] In relation to Mr Lukabyo's notice period, up until 30 June 2020 both Mr Lukabyo and the Company are required to give nine months notice. From 1 July 2020 both Mr Lukabyo and the Company are required to give six months notice.

4. Executive remuneration outcomes for FY17

FY17 was a significant year for the Company as management completed a number of material transactions that the Board determined were key to the progress of the Company's strategic initiatives. These included the divestment of non-core assets, launching hand held terminals, building a national platform through the acquisition of Yellow Cabs Queensland and the return to shareholders of dividends amounting to $1.00 per share through two 10 cent dividends and an 80 cent special dividend.

FAR

External benchmarking was conducted in FY17. This resulted in changes to their fixed remuneration and represents a total increase of approximately 7%.

STI performance and outcomes

As outlined in section 3 above, 60% of the CEO and other senior executive's STI required the Company achieving a minimum threshold of at least 90% of the Gateway Hurdle. 40% of the CEO and other senior executive STI required meeting individual position-specific KPIs and, subject to the Board's discretion, can be discounted by up to 33% if 90% of the Gateway Hurdle is not achieved.

Performance for FY17 against the individual senior executive STI criteria was assessed by the CEO with recommendations presented to the Committee. The Committee also assessed the performance of the CEO with reference to the STI criteria and made recommendations to the Board.

The Board considered the material provided to the Committee, its recommendations, and the financial audited year-end results. The Board determined that $48.6 million was achieved for the Financial Performance measure which exceeded the minimum threshold for the Gateway Hurdle of $44.4 million. The Board also agreed with the recommendations in relation to the individual KPIs and the applicable value payable.

Specifically, in respect of the CEO's STI, the Board approved the following:

• Financial perfromance measure - Gateway Hurdle	53.8%	Target 60%
• Sell non-core assets and prepare for future growth	10.0%	Target 10%
• Grow the personal transport business and offer service on a national basis	9.5%	Target 10%
• Grow the Payments business	6.0%	Target 10%
• Reshape the team to ensure delivery of the strategic plan	2.5%	Target 5%
• Achieve improvement in Passenger experience	3.8%	Target 5%

For the other senior executives refer to table 4 for the respective percentages and values payable as approved by the Board.

Table 4: FY17 STI award outcomes

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

Senior executive	FY16 STI deferred[1] $	Maximum FY17 STI opportunity $	STI earned in FY17 $	% of maximum STI opportunity achieved	% of maximum STI opportunity forfeited
Mr Andrew Skelton	30,000	400,000	342,280	85.6	14.4
Ms Sheila Lines	–	200,000	170,140	85.1	14.9
Mr Adrian Lucchese	–	150,000	136,335	90.9	9.1
Mr Deon Ludick	–	100,000	90,820	90.8	9.2
Mr Fred Lukabyo	–	100,000	91,720	91.7	8.3
Mr Stuart Overell	5,000	150,000	127,980	85.7	14.3

[1] Deferred FY16 STI determined and awarded during FY17.

LTI performance and outcomes

The LTI plan has been in operation since it was approved by the Company's shareholders in Novemeber 2014. The first awards granted under the LTI plan are due for assessment in or around September 2018.

Remuneration Report

Snapshot of Company performance

Table 5: Performance outcomes for the last five years

	FY17	FY16	FY15	FY14	FY13
Profit after tax from continuing operations ($m)	13.7	10.3	46.5	56.1	60.6
(Loss) Profit attributable to the owners of the Company ($m)	(90.5)	25.6	46.5	56.1	60.6
Dividend Paid ($m)	120.4	24.1	24.1	32.5	43.4
Dividend paid per share fully franked (cents)	100	20	20	27	36
Closing share price at 30 June[1] ($)	2.53	3.19	3.66	4.04	4.03

[1] Opening share price in FY13 was $5.00. The FY17 closing share price is after the payment of the 80 cent fully franked special dividend paid on 28 April 2017.

Total executive remuneration in FY17

The statutory remuneration of each senior executive in FY17 is outlined in the table below.

Table 6: Executive Remuneration in FY17 (Statutory)

		Short-term benefits			Post-employment benefits			Share based payments		
		Salary and fees $	STI $	Non-cash benefits[1] $	Superannuation contributions $	Termination benefits $	Other long-term employee benefits[1] $	LTI $	Total $	Performance related rem % of total rem[2]
Mr Andrew Skelton	2017	680,385	372,280[5]	25,065	24,925	–	23,255	26,314	1,152,224	34.6
	2016	655,692	150,300	29,079	19,308	–	9,480	33,907	897,766	20.5
Ms Sheila Lines	2017	466,894	170,140	–	20,060	–	1,349	16,584	675,027	27.7
	2016	366,050	62,000	9,007	18,565	–	–	3,500	459,122	14.3
Mr Adrian Lucchese	2017	376,409	136,335	9,096	19,647	–	1,011	6,161	548,659	26
	2016	310,128	61,300	18,957	19,679	–	433	21,499	431,996	19.2
Mr Deon Ludick[3]	2017	349,186	90,820	11,380	21,678	–	–	6,542	479,606	20.3
	2016	–	–	–	–	–	–	–	–	–
Mr Fred Lukabyo[4]	2017	407,804	91,720	64,988	19,736	–	16,826	9,813	610,887	16.6
	2016	400,243	–	59,978	19,679	–	5,931	–	485,831	–
Mr Stuart Overell	2017	385,222	132,980[6]	23,398	19,647	–	33,538	6,161	600,946	23.2
	2016	334,333	45,200	38,032	19,679	–	18,197	21,499	476,940	14.0
Total	**2017**	**2,665,900**	**994,275**	**133,927**	**125,693**	–	**75,979**	**71,575**	**4,067,349**	**26.2**
	2016	2,066,446	318,800	155,053	96,910	–	34,041	80,405	2,751,655	14.5

[1] Movements in accruals for annual leave and reportable fringe benefits are disclosed as non-cash benefits. Other long-term employee benefits represent provisions for long service leave.

[2] This represents the percentage of the total remuneration that relates to performance.

[3] Mr Ludick became a member of the Company's KMP on 18 July 2016.

[4] Mr Lukabyo was invited to participate in the STI and LTI programs for FY17.

[5] $85,490 is deferred and will be paid in two equal instalments of $42,745 the first in 2019 and the second in 2020. $30,000 of Mr Skelton's FY17 STI amount is deferred from his FY16 STI program.

[6] $5,000 of Mr Overell's FY17 STI amount is deferred from his FY16 STI program.

LTI awards held by executives

Details of all outstanding rights granted to senior executives as LTI awards are set out in the table below.

Table 7: LTI awards held by senior executives

Senior executive	Grant Date	Performance period	Number of rights granted	Performance conditions	Vesting date[1]
Mr Andrew Skelton	30 January 2017	1 July 2016 – 30 June 2020	124,611	Absolute TSR hurdle and ROE hurdle	14 September 2020
	6 June 2016	1 July 2015 – 30 June 2019	78,624	Absolute TSR hurdle and ROE hurdle	16 September 2019
	17 December 2014	1 July 2014 – 30 June 2018	43,063	Absolute TSR hurdle and turnover compound annual growth hurdle	14 September 2018
Ms Sheila Lines	30 January 2017	1 July 2016 – 30 June 2020	62,305	Absolute TSR hurdle and ROE hurdle	14 September 2020
	6 June 2016	1 July 2015 – 30 June 2019	26,247	Absolute TSR hurdle and ROE hurdle	16 September 2019
Mr Adrian Lucchese	30 January 2017	1 July 2016 – 30 June 2020	62,305	Absolute TSR hurdle and ROE hurdle	14 September 2020
	6 June 2016	1 July 2015 – 30 June 2019	26,247	Absolute TSR hurdle and ROE hurdle	16 September 2019
	20 May 2015	1 July 2014 – 30 June 2018	24,570	Absolute TSR hurdle and turnover compound annual growth hurdle	14 September 2018
Mr Deon Ludick[1]	30 January 2017	1 July 2016 – 30 June 2020	31,153	Absolute TSR hurdle and ROE hurdle	14 September 2020
Mr Fred Lukabyo[2]	19 June 2017	1 July 2016 – 30 June 2020	46,729	Absolute TSR hurdle and ROE hurdle	14 September 2020
Mr Stuart Overell	30 January 2017	1 July 2016 – 30 June 2020	62,305	Absolute TSR hurdle and ROE hurdle	14 September 2020
	6 June 2016	1 July 2015 – 30 June 2019	26,247	Absolute TSR hurdle and ROE hurdle	16 September 2019
	20 May 2015	1 July 2014 – 30 June 2018	24,570	Absolute TSR hurdle and turnover compound annual growth hurdle	14 September 2018

[1] Mr Ludick became a member of the Company's KMP on 18 July 2016.

[2] Mr Lukabyo was invited to participate in the LTI program for FY17.

Remuneration Report

5. Non-executive Director fee arrangements

Table 8: NEDs included in this report

NED	Role	Change in FY17
Mr Paul Oneile	Independent Chairman	Appointed 27 February 2017
Mr Donnald McMichael	Independent Director	–
Mr Richard Millen	Independent Director	Independent Chairman 24 November 2016 to 27 February 2017
Ms Trudy Vonhoff	Independent Director	–
Mr Russell Balding AO	Independent Chairman	Ceased 24 November 2016
Mr Stephen Stanley	Independent Director	Ceased 23 November 2016

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 $1.3 million 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. These fees are not linked to performance and no STI or LTI is provided to NEDs.

Fees in FY17

The Committee reviewed the NED fees and having taken into account the Committee's recommendation, the Board resolved that there were to be no NED fee increases in FY17.

The table below summarises NED fees payable in respect of FY17.

Table 9: Board and committee fees for FY17

	Chairman	Member
Board	$220,000	$100,000
Audit and Risk Committee	$20,000	$11,000
Remuneration and Nominations Committee	$16,000	$11,000

The Board and committee fees outlined above include statutory superannuation contributions. NEDs do not receive retirement benefits other than statutory superannuation.

Statutory disclosure in respect of NED remuneration

The table below includes statutory disclosure relating to NED remuneration.

Table 10: Statutory disclosure – NED fees

		Short-term benefits	Post-employment benefits	
		Salary and fees ($)	Superannuation contributions ($)	Total ($)
Mr Paul Oneile[1]	2017	66,971	6,362	73,333
	2016	–	–	–
Mr Donnald McMichael	2017	107,419	10,205	117,624
	2016	106,930	10,158	117,088
Mr Richard Millen[2]	2017	112,657	36,983	149,640
	2016	85,589	34,411	120,000
Ms Trudy Vonhoff	2017	111,094	10,554	121,648
	2016	85,026	8,078	93,104
Mr Russell Balding[3]	2017	80,669	7,664	88,333
	2016	200,692	19,308	220,000
Mr Stephen Stanley[4]	2017	44,140	4,193	48,333
	2016	87,855	8,346	96,201
Total fees for NEDs	**2017**	**522,950**	**75,961**	**598,911**[5]
	2016	608,375	84,325	692,700

[1] Mr Oneile commenced as a NED on 27 February 2017.

[2] Mr Millen's remuneration is reflective of the fact that he held the position of Independent Chairman from 24 November 2016 to 27 February 2017.

[3] Mr Balding retired as a NED on 24 November 2016.

[4] Mr Stanley resigned as a NED on 23 November 2016.

[5] This represents 46.1% of the pool approved by shareholders.

Remuneration Report

6. Additional disclosures relating to share capital

Shares

The relevant interest of each KMP (and their related parties) in the share capital of the Company for the year to 30 June 2017 is detailed in the table below.

Table 11: Shareholdings of KMP and their related parties

	Balance 1 July 2016		Received as remuneration		Net other change		Balance 30 June 2017	
	Direct interest shares	Indirect interest shares	Direct interest shares	Indirect interest shares	Direct interest shares	Indirect interest shares	Direct interest shares	Indirect interest shares
Senior executives								
Andrew Skelton	6,861	–	–	–	–		6,861	–
Sheila Lines[1]	–	–	–	–	–	4,000	–	4,000
Adrian Lucchese	–	–	–	–	–	–	–	–
Deon Ludick[2]	–	–	–	–	–	–	–	–
Fred Lukabyo	2,450	–	–	–	–	–	2,450	–
Stuart Overell	–	–	–	–	–	–	–	–
Non-executive Directors								
Paul Oneile[3]	–	10,000	–	–	–	–	–	10,000
Donald McMichael[4]	500	15,530	–	–	–	20,000	500	35,530
Richard Millen[5]	–	35,000	–	–	–	–	–	35,000
Trudy Vonhoff	10,000	–	–	–	12,000	–	22,000	–
Russell Balding[6]	40,000	–	–	–	–	–	40,000	–
Stephen Stanley[7]	–	80,000	–	–	–	–	–	80,000

[1] 4,000 fully paid ordinary shares held by SP Advisors Superannuation Fund Pty Ltd atf the SP Advisors Superannuation Fund.

[2] Shareholdings for Mr Ludick are presented as at the date he commenced as a KMP, being 18 July 2016.

[3] Shareholdings for Mr Oneile are presented as at the date he was appointed as a NED, being 27 February 2017. 10,000 fully paid ordinary shares are held by PNM Management Pty Ltd atf Kyambra Superannuation Fund.

[4] 32,500 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.

[5] 35,000 fully paid ordinary shares held by Navigator Australia Limited as custodian for an MLC Wrap Platform as nominee for the Millen Superannuation Fund.

[6] Mr Balding retired as a NED on 24 November 2016.

[7] Mr Stanley resigned as a NED on 23 November 2016. 80,000 fully paid ordinary shares held by Esjay Pty Ltd atf the SL Stanley Family Trust.

Rights

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

Table 12: Rights granted as part of remuneration to the Company executives

Senior executive[1]	Balance at 1 July 2016	Number of rights granted in FY17[1]	Value of rights granted in FY17	Net other change	Vested	Value of rights vested	Lapsed	Balance at 30 June 2017
Andrew Skelton	121,660	124,611	400,000	–	–	–	–	246,271
Sheila Lines	26,247	62,305	200,000	–	–	–	–	88,552
Adrian Lucchese	50,817	62,305	200,000	–	–	–	–	113,122
Deon Ludick[2]	–	31,153	100,000	–	–	–	–	31,153
Fred Lukabyo[3]	–	46,729	150,000	–	–	–	–	46,729
Stuart Overell	50,817	62,305	200,000	–	–	–	–	113,122

[1] For performance rights granted as remuneration, the fair value is $942,367. The fair value has been calculated by an independent advisor as at the date of grant, using a Black-Scholes option pricing technique for the return on equity rights ($3.16 per right) and a Monte Carlo simulation model for the total shareholder return ($1.68 per right).

[2] Mr Ludick became a member of the Company's KMP on 18 July 2016.

[3] Mr Lukabyo was invited to participate in the LTI program for FY17.

7. Transactions with key management personnel and their related parties

Loans to KMP and their related parties

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

There were no transactions between the Company (or any of its controlled entities) 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. Information about these transactions would not adversely affect investment decisions by shareholders, or the discharge of accountability by KMP.

8. Shareholder voting for Remuneration Report at the 2016 annual general meeting

The Company received a 'yes' vote on more than 85.7% of votes cast on its Remuneration Report for the 2016 financial year. Being mindful of the focus on senior executive remuneration, the Company has continued to review its remuneration practices.

Auditor's Independence Declaration

For the year ended 30 June 2017

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 of Cabcharge Australia Limited for the financial year ended 30 June 2017 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

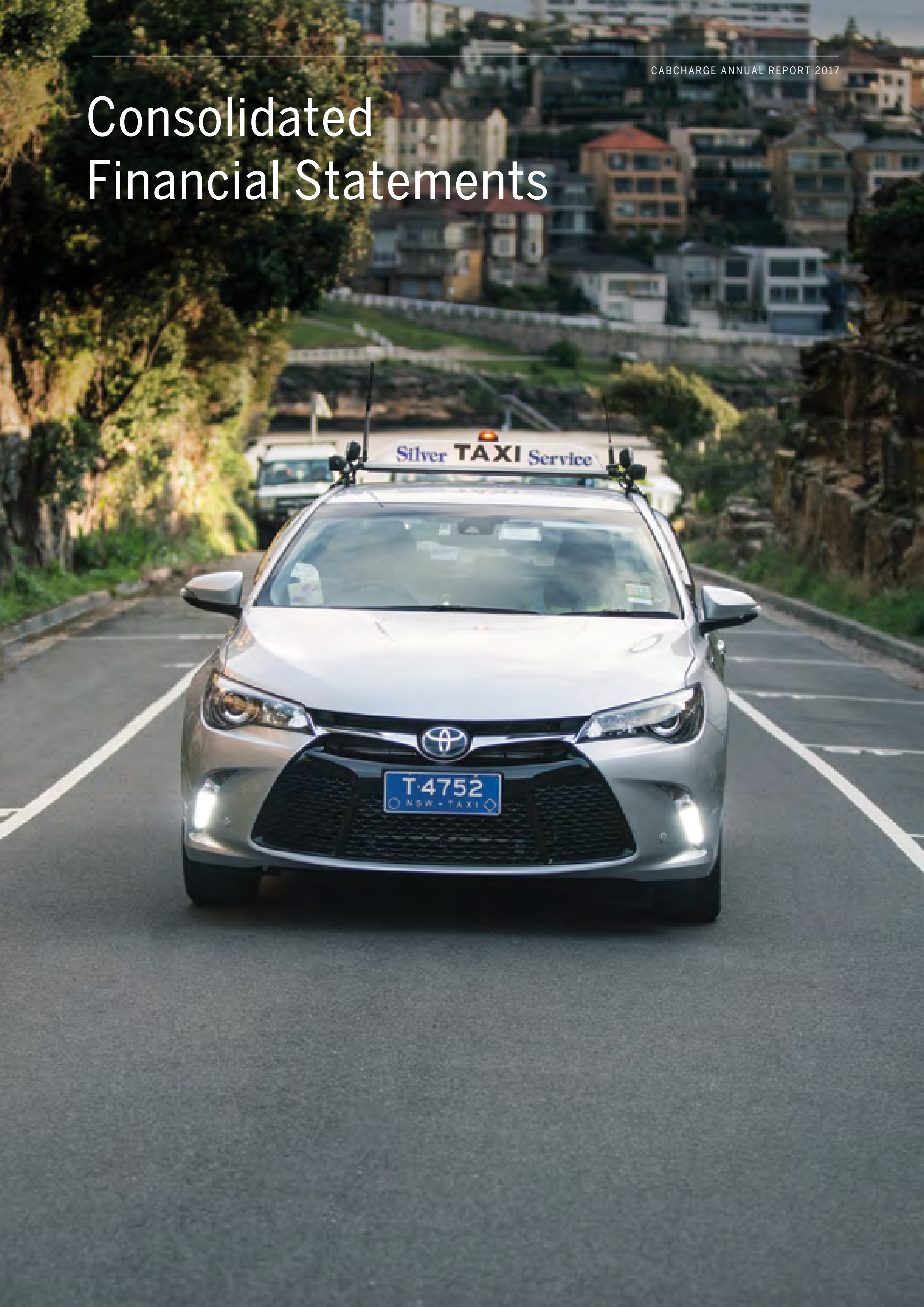
ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Julie Cleary
Partner
Sydney
28 August 2017

Consolidated Financial Statements

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Index to the Consolidated Financial Statements

For the year ended 30 June 2017

Contents

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2017

	Notes	2017 $'000	2016* $'000 (Re-stated)
Continuing operations			
Revenue	3	151,949	168,808
Other income	3	1,689	14,133
Processing fees to Taxi Networks		(8,821)	(10,064)
Brokered Taxi plate licence costs		(19,935)	(21,418)
Other taxi related costs		(2,760)	(5,403)
Employee benefits expenses		(42,760)	(41,634)
General and administrative expenses		(20,319)	(22,968)
Transaction processing expenses		(2,537)	(4,013)
Depreciation	12	(11,963)	(11,785)
Amortisation	14 & 16	(1,745)	(3,883)
Impairment charges	14 & 16	(8,277)	(27,680)
Capitalised development costs written-off		(1,577)	-
Other expenses		(6,974)	(7,036)
Results from operating activities		**25,970**	**27,057**
Finance income	4	1,885	5,516
Finance costs		(3,573)	(5,909)
Net finance costs		**(1,688)**	**(393)**
Profit before income tax		**24,282**	**26,664**
Income tax expense	5	(10,581)	(16,384)
Profit after tax from continuing operations		**13,701**	**10,280**
Discontinued operations			
(Loss) / Profit from discontinued operations (net of income tax)	10	(104,251)	15,336
(Loss) / Profit for the year attributable to owners of the Company		**(90,550)**	**25,616**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income / (loss) of associates, net of tax		4,959	(3,035)
Effective portion of change in fair value of cash flow hedge		123	862
Net change in fair value of available-for-sale financial assets transferred to profit or loss		12	(4,731)
Income tax on other comprehensive income		(40)	1,160
Other comprehensive income / (loss) for the year, net of income tax		**5,054**	**(5,744)**
Total comprehensive (loss) / income for the year attributable to owners of the Company		**(85,496)**	**19,872**
Earnings per share			
From continuing operations:			
Basic earnings per share (AUD)	22	11.4 cents	8.5 cents
Diluted earnings per share (AUD)	22	11.4 cents	8.5 cents
Total attributable to owners of the Company:			
Basic earnings per share (AUD)	22	(75.2 cents)	21.3 cents
Diluted earnings per share (AUD)	22	(75.2 cents)	21.3 cents

*The above comparative information has been re-stated to separately show those operations as discontinued operations.

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

As at 30 June 2017

	Notes	2017 $'000	2016* $'000
			(Re-stated)
Current Assets			
Cash and cash equivalents	31	29,456	13,039
Trade and other receivables	6	78,755	80,927
Inventories	7	1,011	1,321
Prepayments		3,480	2,808
Total Current Assets		**112,702**	**98,095**
Non-Current Assets			
Trade and other receivables	6	3,298	4,198
Advances to associates	26	-	18,812
Financial assets	8	1,949	1,839
Investments in associates accounted for using the equity method	10,11	-	296,593
Property, plant and equipment	12	35,392	40,233
Net deferred tax assets	13	3,013	2,929
Taxi plate licences	14	33,247	41,241
Goodwill	15	15,249	15,249
Intellectual property	16	11,747	11,981
Total Non-Current Assets		**103,895**	**433,075**
Total Assets		**216,597**	**531,170**
Current Liabilities			
Trade and other payables	17	25,775	25,576
Loans and borrowings	18	3,676	3,663
Interest rate swaps		-	123
Current tax liabilities		967	4,051
Employee benefits	19	4,294	4,095
Total Current Liabilities		**34,712**	**37,508**
Non-Current Liabilities			
Loans and borrowings	18	-	106,000
Employee benefits	19	731	640
Total Non-Current Liabilities		**731**	**106,640**
Total Liabilities		**35,443**	**144,148**
Net Assets		**181,154**	**387,022**
Equity			
Share capital	20	138,325	138,325
Reserves	20	228	(4,885)
Retained earnings		42,601	253,582
Total Equity Attributable to Equity Holders of Cabcharge Australia Limited		**181,154**	**387,022**

*Certain amounts have been re-stated to reflect adjustments relating to Note 13.

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

For the year ended 30 June 2017

	Notes	2017 $'000	2016 $'000
Cash flows from operating activities			
Receipts from customers and others		1,122,959	1,278,069
Payments to suppliers, licensees and employees		(1,073,829)	(1,213,337)
Dividends received		263	232
Interest received		1,885	1,023
Finance costs paid		(3,698)	(5,544)
Income tax paid		(9,735)	(13,917)
Net cash provided by operating activities	**31**	**37,845**	**46,526**
Cash flows from investing activities			
Purchase of property, plant and equipment		(8,630)	(9,779)
Purchase of eftpos equipment not yet installed		-	(5,791)
Payments for development of intellectual property		(3,371)	(3,059)
Payments for other investments		(110)	-
Repayment from associates		18,812	-
Acquisition of business assets, net of cash acquired		-	(1,932)
Proceeds from sale of investments		-	5,834
Proceeds from sale of associate	10	184,034	-
Proceeds from sale of property, plant and equipment		14,255	6
Net cash provided by (used in) investing activities		**204,990**	**(14,721)**
Cash flows from financing activities			
Proceeds from borrowings		10,098	25,781
Repayment of borrowings		(116,085)	(44,317)
Dividends paid	21	(120,431)	(24,086)
Net cash (used in) financing activities		**(226,418)**	**(42,622)**
Net increase (decrease) in cash and cash equivalents		16,417	(10,817)
Cash and cash equivalents at 1 July		13,039	23,856
Cash and cash equivalents at 30 June	**31**	**29,456**	**13,039**

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

For the year ended 30 June 2017

	Notes	Share capital $'000	Reserves $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2016		**138,325**	**(4,885)**	**253,582**	**387,022**
Total comprehensive income for the year					
Loss for the year		-	-	(90,550)	(90,550)
Other comprehensive income					
Share of other comprehensive income of associates, net of tax		-	4,959	-	4,959
Effective portion of change in fair value of cash flow hedge, net of tax		-	86	-	86
Net change in fair value of available-for-sale financial assets transferred to profit or loss, net of tax		-	9	-	9
Total other comprehensive income		**-**	**5,054**	**-**	**5,054**
Total comprehensive income for the year		**-**	**5,054**	**(90,550)**	**(85,496)**
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Share-based payments		-	59	-	59
Dividends to equity holders	21	-	-	(120,431)	(120,431)
Total contributions by and distributions to owners		**-**	**59**	**(120,431)**	**(120,372)**
Total transactions with owners		**-**	**59**	**(120,431)**	**(120,372)**
Balance at 30 June 2017		**138,325**	**228**	**42,601**	**181,154**
Balance at 1 July 2015* (Re-stated)		**138,325**	**768**	**252,052**	**391,145**
Total comprehensive income for the year					
Profit for the year		-	-	25,616	25,616
Other comprehensive income					
Share of associates' foreign exchange translation differences, net of tax		-	(3,035)	-	(3,035)
Effective portion of change in fair value of cash flow hedge, net of tax		-	603	-	603
Net change in fair value of available-for-sale financial assets transferred to profit or loss, net of tax		-	(3,312)	-	(3,312)
Total other comprehensive income		**-**	**(5,744)**	**-**	**(5,744)**
Total comprehensive income for the year		**-**	**(5,744)**	**25,616**	**19,872**
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Share-based payments		-	91	-	91
Dividends to equity holders	21	-	-	(24,086)	(24,086)
Total contributions by and distributions to owners		**-**	**91**	**(24,086)**	**(23,995)**
Total transactions with owners		**-**	**91**	**(24,086)**	**(23,995)**
Balance at 30 June 2016* (Re-stated)		**138,325**	**(4,885)**	**253,582**	**387,022**

*Certain amounts have been re-stated to reflect adjustments relating to Note 13.

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 2017

1. Reporting entity

Cabcharge Australia Limited (the **Company** or **Cabcharge**) 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 as at and for the year ended 30 June 2017 comprises of the Company, its subsidiaries (together referred to as the **Group**) and the Group's interests in associates. The Group is a for-profit entity and during the year ended 30 June 2017 was primarily involved in Taxi related services and route, school and charter bus services (through its interest in an associate).

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 of Directors on 28 August 2017.

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.

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 Corporation Instrument 2016/191 (Rounding in Financial/Directors' Reports) and in accordance with that Instrument, amounts in the Consolidated Financial Statements and the Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

d) 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.

e) 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 11 Associated companies

Note 12 Property, plant and equipment

Note 14 Taxi plate licences

Note 15 Goodwill

Note 16 Intellectual property

Note 19 Employee benefits

f) 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.

g) 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 2017 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:

Accounting Standard	Details of Accounting Standard	Impact on Consolidated Financial Statements
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.	The Group is in the process of accessing the potential impact on its consolidated financial statements resulting from the application of AASB 9 and believes that there will be no material impact.
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 2018, with early adoption permitted.	The Group is in the process of accessing the potential impact on its consolidated financial statements resulting from the application of AASB 15 and believes that there will be no material impact.
AASB 16 Leases	AASB 16 removes the classification of leases as either operational leases or finance leases. It will result in almost all leases being recognised on the balance sheet. Under the new standard an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted.	The Group is in the process of accessing the potential impact on its consolidated financial statements resulting from the application of AASB 16 based on its position as at 30 June 2017 and subsequent events. Based on its preliminary assessment the Group expects that the impact on its consolidated statement of financial position will be an increase at least $8 million in the assets and liabilities. The Group's assessment of the potential impact on its consolidated financial statement will continue to be updated until the date of application.

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.

3. Revenue & Turnover

Accounting policies

Taxi service fee income

Taxi service fee income is derived from Taxi payments processed through the Cabcharge Payment System and is disclosed net of Goods and Services Tax 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 Taxi payments proceeds. Taxi service fee income is recognised at the time the payment is processed.

Network subscription fee and Taxi plate licence incomes

Network subscription fee and Taxi plate licence incomes were billed every 28 days in advance and changed to a calendar month basis in advance commencing 1 May 2016. 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, refer to Note 17.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2017

Other Taxi related services income

Other Taxi related services income is generated from fit-out of vehicles as Taxis, repair and rental of in-vehicle Taxi equipment. It was billed every 28 days in arrears and changed to a calendar month basis in arrears commencing 1 May 2016. It is recognised when services are rendered.

Vehicle financing lease and insurance loan income

Interest earned on finance leases and insurance loans is recognised as vehicle financing lease and insurance loan income on a basis reflecting a constant periodic return based on the lessor's net investment outstanding in respect of the finance lease.

Taxi subsidy scheme revenue

The Taxi Subsidy Scheme (**TSS**) revenue is derived from providing services to issue TSS cards and process Taxi travel transactions of TSS participants in some States and Territories. It is billed on monthly basis in arrears and recognised when services are rendered.

School bus route services revenue

School bus route services revenue is based on contracts for these services with State Government. It is billed weekly in arrears and recognised when services are rendered.

Revenues

	2017 $'000	2016 $'000
Taxi service fee income	51,091	62,446
Network subscription fee income	56,912	57,853
Brokered Taxi plate licence income	21,015	22,681
Owned Taxi plate licence income	4,959	6,873
Other Taxi related services income	4,156	5,337
Vehicle financing lease and insurance loan income	5,382	5,990
School bus route services income	2,177	2,068
Taxi Subsidy Scheme Revenue	1,863	1,683
Other revenue	4,394	3,877
Total operating revenue	**151,949**	**168,808**
Total turnover	**1,104,035**	**1,262,683**
Non-operating activities		
Gain on disposal of property, plant and equipment	1,689	14,133
Total other income	**1,689**	**14,133**

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. Cabcharge's credit risk is based on turnover rather than revenue.

4. Finance income

Accounting policies

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.

	2017 $'000	2016 $'000
Finance Income		
Net gain on disposal of available-for-sale financial assets	-	4,493
Gain on hedging instruments	419	-
Interest Income	1,466	1,023
Total finance income	**1,885**	**5,516**

5. Income tax expense

Accounting policies

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.

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

	2017 $'000	2016 $'000
Current income tax expense		
Current year	9,865	18,327
Adjustment for prior years	593	(524)
	10,458	17,803
Deferred tax expense		
Origination and reversal of temporary differences	123	(1,419)
Total income tax expense in the Consolidated Statement of Comprehensive Income	**10,581**	**16,384**
Numerical reconciliation between tax expense and pre-tax profit		
Profit before tax from continuing operations	24,282	26,664
Prima-facie income tax using the corporate tax rate of 30% (2016: 30%)	7,285	7,999
Add tax effect of:		
Non-deductible depreciation	151	588
Non-allowable impairment charges	2,483	8,304
Other non-allowable items	142	60
Less tax effect of:		
Tax exempt dividends	(73)	(43)
Adjustment for prior years	593	(524)
Income tax expense	**10,581**	**16,384**
Effective tax rate on pre-tax profit from continuing operations	43.6%	61.4%

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6. Trade and other receivables

Accounting policies

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

Finance lease receivables

When a Group entity 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.

	2017 $'000	2016 $'000
Current		
Trade receivables	55,090	52,292
Accumulated impairment losses	(2,781)	(2,387)
Finance lease receivables	3,339	5,067
Receivables from sales of property	3,000	18,101
Receivables from sales of investment in associates	13,268	-
Other receivables	6,839	7,854
	78,755	**80,927**
Non-current		
Finance lease receivables	3,298	4,198
	3,298	**4,198**
Movement in allowance for impairment		
Balance at the beginning of the year	(2,387)	(914)
Doubtful debts (recognised)	(849)	(3,395)
Amount written off as uncollectable	455	1,922
Balance at the end of the year	**(2,781)**	**(2,387)**

The allowance for impairment reflects both specific doubtful debt provision and collective loss impairment (refer to Note 32c). 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.

Ageing of trade receivables

	2017 year			2016 year		
	Gross $'000	Impairment $'000	Net $'000	Gross $'000	Impairment $'000	Net $'000
Not past due	36,414	(50)	36,364	44,345	(6)	44,339
Past due 1 - 30 days	11,839	(12)	11,827	4,748	(39)	4,709
Past due 31 - 60 days	4,020	(1,027)	2,993	1,038	(181)	857
Past due 61 - 90 days	1,122	(706)	416	383	(383)	-
Past due over 90 days	1,696	(986)	710	1,778	(1,778)	-
	55,091	**(2,781)**	**52,310**	**52,292**	**(2,387)**	**49,905**

For additional information in relating to credit risk, refer to Note 32.

Finance leases of the Group are receivable as follows:

	2017			2016		
	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	3,978	639	3,339	5,900	833	5,067
Between one and five years	3,781	483	3,298	4,724	526	4,198
	7,759	**1,122**	**6,637**	**10,624**	**1,359**	**9,265**

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

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.

7. Inventories

Accounting policies

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.

	2017 $'000	2016 $'000
Parts, safety cameras and sundries - at cost	1,011	1,321
	1,011	**1,321**

8. Financial assets

Accounting policies

Available-for-sale listed investments are recognised initially and subsequently at market price. Unrealised gains and losses arising from changes in market price 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 unlisted investments are recognised initially and subsequently at cost as the fair value of these securities cannot be measured reliably. These unlisted 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 unlisted investments in the foreseeable future.

	2017 $'000	2016 $'000
Unlisted investments - available-for-sale		
Shares in other corporations - at cost	1,949	1,839
	1,949	**1,839**

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For the year ended 30 June 2017

9. Business combination

Accounting policies

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 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.

On 2 November 2015 the Group acquired the business and assets of the Dandenong Taxis for cash consideration of $1,932,000. Dandenong Taxis provides call centre services to around 110 cabs.

	2016 $'000
Property, plant and equipment	107
Deferred tax assets	29
Intellectual property	1,675
Employee entitlements	(95)
Trade and other payables	(1)
Fair value of identifiable net assets acquired	**1,715**
Consideration paid, satisfied in cash	**(1,932)**
Goodwill (refer to Note 15)	**(217)**

10. Discontinued operations

On 21 December 2016 the Group entered into an agreement to sell its investment in ComfortDelGro Cabcharge Pty Ltd (**CDC**). The disposal of CDC was completed on 15 February 2017.

On 28 June 2017 the Group entered into an agreement to sell its investment in CityFleet Networks Ltd in the UK (**CFN**).

The equity accounting profit ceases from the date of the agreement to sell.

The investments in CDC and CFN were not previously classified as discontinued operations. The comparative consolidated statement of comprehensive income has been restated to show the discontinued operations separately from continuing operations.

Results of discontinued operations

	2017 $'000	2016 $'000
Share of profit of discontinued operation		
- ComfortDelGro Cabcharge Pty Ltd	8,218	14,500
- CityFleet Networks Ltd	(582)	836
Impairment charge on CityFleet Networks Ltd	(20,200)	-
Impairment loss on write-down to fair value less costs to sell		
- ComfortDelGro Cabcharge Pty Ltd	(77,904)	-
Loss on sale of:		
- CityFleet Networks Ltd	(13,783)	-
(Loss) / Profit from discontinued operation, net of tax	**(104,251)**	**15,336**

Reconciliation of Impairment loss on write-down to fair value less costs to sell and loss on sale of associates

	2017 $'000		
	CDC	CFN	Total
Sale price	186,000	13,268	199,268
Less: costs to sell	(1,966)	-	(1,966)
Net consideration	184,034	13,268	197,302
Carrying amount of the investment	260,003	21,850	281,853
Transfer from reserves	1,935	5,201	7,136
Total	**(77,904)**	**(13,783)**	**(91,687)**

Cash flows of discontinued operations

	2017 $'000	2016 $'000
Cash flows from operating activities	-	-
Cash flows from investing activities	184,034	-
Cash flows from financing activities	-	-
Net increase in cash and cash equivalents	**184,034**	**-**

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For the year ended 30 June 2017

11. Associated companies

Accounting policies

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.

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 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. 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).

Impairment testing

At each balance date, the Group reviews the carrying amounts of its associated companies 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.

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 is appropriate for the currency generated by the cash-generating unit and reflects current market assessments of the time value of money.

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.

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.

Name	Principal Activities	Country of Incorporation	Reporting Period	Ownership Interest 2017 %	Ownership Interest 2016 %	Carrying amount of investment 2017 $'000	Carrying amount of investment 2016 $'000
ComfortDelGro Cabcharge Pty Ltd	Route, school and charter bus services	Australia	31 December	-	49	-	251,786
CityFleet Networks Ltd	Taxi related services, bus & coach services	United Kingdom	31 December	-	49	-	44,807
						-	**296,593**

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

	2017 $'000	2016 $'000
Balance at beginning of the financial year	296,593	284,292
Share of associates' profit after income tax		
- ComfortDelGro Cabcharge Pty Ltd	8,218	14,500
- CityFleet Networks Ltd	(582)	836
Foreign exchange translation differences		
- ComfortDelGro Cabcharge Pty Ltd	1,020	-
- CityFleet Networks Ltd	3,026	(3,035)
Capital reserve		
- ComfortDelGro Cabcharge Pty Ltd	914	-
Impairment loss on write-down to fair value less costs to sell		
- ComfortDelGro Cabcharge Pty Ltd	(77,904)	-
Loss on sale of associate		
- CityFleet Networks Ltd	(13,783)	-
Net consideration on sale of associate		
- ComfortDelGro Cabcharge Pty Ltd	(184,034)	-
- CityFleet Networks Ltd	(13,268)	-
Impairment		
- CityFleet Networks Ltd	(20,200)	-
Balance at end of the financial year	**-**	**296,593**

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

Share of associates' profit before income tax expense		
- ComfortDelGro Cabcharge Pty Ltd	11,436	20,955
- CityFleet Networks Ltd	(525)	972
Share of associates' income tax expense		
- ComfortDelGro Cabcharge Pty Ltd	(3,219)	(6,455)
- CityFleet Networks Ltd	(56)	(136)
Share of associates' profit after income tax	**7,636**	**15,336**

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

	2016 $'000
ComfortDelGro Cabcharge Pty Ltd	
Current assets	123,637
Non-current assets	933,054
Total assets	**1,056,691**
Current liabilities	(84,083)
Non-current liabilities	(458,706)
Total liabilities	**(542,789)**
Net assets	**513,902**
Revenues	**352,993**
Profit after income tax of associates	**29,591**
CityFleet Networks Ltd	
Current assets	36,952
Non-current assets	21,897
Total assets	**58,849**
Current liabilities	(8,748)
Non-current liabilities	(1,044)
Total liabilities	**(9,792)**
Net assets	**49,057**
Revenues	**115,581**
Profit after income tax of associates	**1,707**

d) Impairment considerations

CityFleet Networks Ltd

The Group assessed the recoverable amount of the investment in CFN at 31 December 2016 based on the historical operating performance and independent sources of expected UK Taxi industry future performance. After assessing 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 $20,200,000 (FY16: $nil). In assessing the recoverable amount of this investment, at 31 December 2016 the Group applied an average revenue growth rate of 0.43% (FY16: 1.9%) which resulted in an average free cash flow growth rate of 0.43% for each of the next five years (FY16: 10.1%), a long-term growth rate of 1% into perpetuity (FY16: 1.8%), and a pre-tax discount rate of 9.1% (FY16: 8.9%). The discount rate reflected UK market assumptions at the reporting date for the risk free rate, the market risk premium, the cost of debt and the beta.

12. Property, plant and equipment

Accounting policies

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 50 years
Furniture, fittings, plant and equipment	3 to 8 years
EFTPOS Equipment	4 to 8 years

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

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.

	Land & buildings $'000	Furniture, fittings, plant and equipment $'000	Eftpos equipment $'000	Total $'000
2017 year:				
Cost				
Opening balance	**13,617**	**49,226**	**34,064**	**96,907**
Additions	658	1,755	6,217	8,630
Reclassification	15	(15)	-	-
Disposals	(1,659)	(339)	-	(1,998)
Closing balance	**12,631**	**50,627**	**40,281**	**103,539**
Accumulated depreciation				
Opening balance	**(3,416)**	**(36,551)**	**(16,707)**	**(56,674)**
Depreciation expense	(262)	(6,105)	(5,596)	(11,963)
Disposals	343	147	-	490
Closing balance	**(3,335)**	**(42,509)**	**(22,303)**	**(68,147)**
Net Book Value				
Opening balance	**10,201**	**12,675**	**17,357**	**40,233**
Closing balance	**9,296**	**8,118**	**17,978**	**35,392**
2016 year:				
Cost				
Opening balance	**17,691**	**43,970**	**25,057**	**86,718**
Additions	-	4,049	11,521	15,570
Additions through acquisition	-	106	-	106
Reclassification	240	1,744	-	1,984
Disposals	(4,314)	(643)	(2,514)	(7,471)
Closing balance	**13,617**	**49,226**	**34,064**	**96,907**
Accumulated depreciation				
Opening balance	**(3,728)**	**(29,382)**	**(14,583)**	**(47,693)**
Depreciation expense	(258)	(7,140)	(4,387)	(11,785)
Reclassification	-	(480)	-	(480)
Disposals	570	451	2,263	3,284
Closing balance	**(3,416)**	**(36,551)**	**(16,707)**	**(56,674)**
Net Book Value				
Opening balance	**13,963**	**14,588**	**10,474**	**39,025**
Closing balance	**10,201**	**12,675**	**17,357**	**40,233**

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13. Deferred tax assets and liabilities

Accounting policies

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;
- temporary differences relating to investments in subsidiaries and associates to the extent that the Group is able to control the timing or reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- 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, using tax rates enacted or substantively enacted at 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.

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.

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	Acquisitions $'000	Closing balance $'000
2017 year:					
Accumulated impairment losses - receivables	314	118	-	-	432
Provision for employee entitlements	1,449	87	-	-	1,536
Accruals	221	(89)	-	-	132
Tax losses	1,570	-	-	-	1,570
Interest rate derivatives	36	-	(36)	-	-
Prepayments	(348)	7	-	-	(341)
Revaluations of available-for-sale financial assets	8	-	(8)	-	-
Other taxable temporary differences	(321)	-	5	-	(316)
	2,929	**123**	**(39)**	**-**	**3,013**

	Opening balance $'000	Charged to income $'000	Charged to equity $'000	Acquisitions $'000	Closing balance $'000
2016 year:*					
(Re-stated)					
Accumulated impairment losses - receivables	313	1	-	-	314
Provision for employee entitlements	1,537	(117)	-	29	1,449
Accruals	173	48	-	-	221
Tax losses	1,570	-	-	-	1,570
Interest rate derivatives	295	-	(259)	-	36
Prepayments	(416)	68	-	-	(348)
Revaluations of available-for-sale financial assets	(1,411)	1,419	-	-	8
Other taxable temporary differences	(321)	-	-	-	(321)
	1,740	**1,419**	**(259)**	**29**	**2,929**

* A deferred tax asset was recognised for the difference between the tax cost base and accounting cost base related to a business combination. The Group has determined this asset should not previously have been considered recoverable and has restated comparative information accordingly. The result of this restatement was a decrease in net deferred tax assets and retained earnings at 30 June 2016 of $1,890,000.

14. Taxi plate licences

Accounting policies

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 of 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.

Impairment testing

Taxi plate licences with indefinite useful lives 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.

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.

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.

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a) Composition and movement

	Indefinite life	Finite life		
	$'000	50 year renewable $'000	10 year $'000	Total $'000
2017 year:				
Cost				
Opening balance	**37,365**	**5,600**	**3,319**	**46,284**
Additions	-	-	-	-
Impairment	(7,900)	-	-	(7,900)
Disposals	-	-	-	-
Closing balance	**29,465**	**5,600**	**3,319**	**38,384**
Accumulated amortisation				
Opening balance	**-**	**(1,724)**	**(3,319)**	**(5,043)**
Amortisation expense	-	(94)	-	(94)
Disposals	-	-	-	-
Closing balance	-	(1,818)	(3,319)	(5,137)
Net book value				
Opening balance	**37,365**	**3,876**	**-**	**41,241**
Closing balance	**29,465**	**3,782**	**-**	**33,247**
2016 year:				
Cost				
Opening balance	**65,045**	**5,600**	**3,319**	**73,964**
Additions	-	-	-	-
Impairment	(27,680)	-	-	(27,680)
Disposals	-	-	-	-
Closing balance	**37,365**	**5,600**	**3,319**	**46,284**
Accumulated amortisation				
Opening balance	**-**	**(1,630)**	**(1,414)**	**(3,044)**
Amortisation expense	-	(94)	(1,905)	(1,999)
Disposals	-	-	-	-
Closing balance	**-**	**(1,724)**	**(3,319)**	**(5,043)**
Net book value				
Opening balance	**65,045**	**3,970**	**1,905**	**70,920**
Closing balance	**37,365**	**3,876**	**-**	**41,241**

b) Impairment considerations

After assessing the recoverable amount of indefinite life Taxi plate licences based on value-in-use, using a discounted projected cash flow model, the Group determined that an impairment charge of $7,900,000 was required (FY16: $27,680,000). In assessing the recoverable amount of such licences, the Group has applied average earnings growth forecasts of between 0% to 2% (FY16: between -3.0% to 2.2%) for each of the next five years, long term growth rates of 2% (FY16: 2.35%) into perpetuity and a pre-tax discount rate of 12.9% (FY16: 11.8%). This long term growth rate reflects the general estimated long term Australian economic growth and the discount rate is based on comparable industry market assumptions for the risk free rate, the market risk premium, the cost of debt, the beta and an additional risk weighting for these assets. An increase of 100 basis points in pre-tax discount rate would result in a further impairment of $606,000 and a decrease of 100 basis points in the long term growth rate would result in a further impairment of $849,000.

15. Goodwill

Accounting policies

Goodwill arising on the acquisition of a subsidiary is included in intangible assets. For the measurement of goodwill at initial recognition, refer to Note 9. 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, refer to Note 11.

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.

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, free cash flows have been projected for five years based on budgeted EBITDA for the forthcoming year plus 2.1% (FY16: 2.35%) annual growth and a long term growth rate of 2.1% after 5 years (FY16: 2.35%). A pre-tax discount rate of 11.6% (FY16: 10.4%) was applied in determining recoverable amount. This annual growth rate is based on the Australian Consumer Price Index. This long term growth rate reflects the general estimated long term Australian economic growth and the discount rate is based on comparable industry market assumptions for the risk free rate, the market risk premium, the cost of debt 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. An increase of 100 basis points in pre-tax discount rate would not result in any impairments and a decrease of 100 basis points in the long term growth rate also would not result in any impairments.

		Goodwill Allocated		Impairment loss	
	CGU	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Cabcharge Australia Limited	CAB	3,923	3,923	-	-
Yellow Cabs South Australia	YSA	1,482	1,482	-	-
Combined Communications Network	CCN	3,572	3,572	-	-
Black Cabs Combined	BCC	6,272	6,272	-	-
		15,249	**15,249**	**-**	**-**

	CAB $'000	YSA $'000	CCN $'000	BCC $'000	Total $'000
2017 year:					
Cost					
Opening balance	**3,923**	**1,482**	**3,572**	**6,272**	**15,249**
Additions through acquisition	-	-	-	-	-
Closing balance	**3,923**	**1,482**	**3,572**	**6,272**	**15,249**
2016 year:					
Cost					
Opening balance	**3,923**	**1,482**	**3,572**	**6,055**	**15,032**
Additions through acquisition	-	-	-	217	217
Closing balance	**3,923**	**1,482**	**3,572**	**6,272**	**15,249**

For more information about the goodwill additions through acquisition, refer to Note 9.

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16. Intellectual property

Accounting policies

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 below.

Capitalised 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.

Amortisation

Items of intellectual property are amortised at rates based upon their estimated useful lives using the straight-line method, and this amortisation is recognised in profit or loss.

The estimated useful lives for current and comparative periods are as follows:

Customer contracts	5 to 8 years
Capitalised development costs	4 to 8 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment testing

Intangible assets with indefinite useful lives 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.

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.

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.

Impairment considerations

After assessing the recoverable amount of trademarks and brand names based on value-in-use, using a discounted projected cash flow model, the Group determined that an impairment charge of $377,000 (FY16: $ nil) was required. In assessing the recoverable amount of trademarks and brand names, the Group has applied a pre-tax discount rate of 13.3% (FY16: 10.4%), an annual growth rate of between -0.4% to 1.1% (FY16: 2.35%) over the next five years and a long term growth rate of 1.1% (FY16: 2.35%).

	Indefinite life	Finite life		
	Trademarks $'000	Customer contracts $'000	Capitalised development costs $'000	Total $'000
2017 year:				
Cost				
Opening balance	**1,850**	**2,835**	**26,646**	**31,331**
Additions - internally developed	-	-	3,371	3,371
Impairment	(377)	-	-	(377)
Written-off	-	-	(1,577)	(1,577)
Closing balance	**1,473**	**2,835**	**28,440**	**32,748**
Accumulated amortisation				
Opening balance	**-**	**(895)**	**(18,455)**	**(19,350)**
Amortisation expense	-	(335)	(1,316)	(1,651)
Disposals	-	-	-	-
Closing balance	**-**	**(1,230)**	**(19,771)**	**(21,001)**
Net book value				
Opening balance	**1,850**	**1,940**	**8,191**	**11,981**
Closing balance	**1,473**	**1,605**	**8,669**	**11,747**
2016 year:				
Cost				
Opening balance	**1,850**	**1,160**	**23,587**	**26,597**
Additions - internally developed	-	-	3,059	3,059
Additions - through acquisition	-	1,675	-	1,675
Disposals	-	-	-	-
Closing balance	**1,850**	**2,835**	**26,646**	**31,331**
Accumulated amortisation				
Opening balance	**-**	**(529)**	**(16,937)**	**(17,466)**
Amortisation expense	-	(366)	(1,518)	(1,884)
Disposals	-	-	-	-
Closing balance	**-**	**(895)**	**(18,455)**	**(19,350)**
Net book value				
Opening balance	**1,850**	**631**	**6,650**	**9,131**
Closing balance	**1,850**	**1,940**	**8,191**	**11,981**

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For the year ended 30 June 2017

17. Trade and other payables

Accounting policies

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.

	2017 $'000	2016 $'000
Trade payables	9,243	7,376
Security deposit	5,119	6,301
Other payables and accruals	4,940	5,585
Unearned revenue	6,473	6,314
	25,775	**25,576**

18. Loans and borrowings

Accounting policies

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.

a) Composition

	2017 $'000	2016 $'000
Unsecured loans	3,676	3,663
Bank borrowings	-	106,000
	3,676	**109,663**

b) Disclosure in the Consolidated Statement of Financial Position

Current liability	3,676	3,663
Non-current liability	-	106,000
	3,676	**109,663**

The unsecured loans are at-call and bear variable interest rates, currently 2% per annum. 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 current bank borrowing facility is a revolving facility and expires on 1 July 2019.

Bank borrowings bear interest at rates from 3.2% to 3.6%.The Company reduced the finance facility limits from $200 million to $100 million during the year.

For more information about the Group's exposure to interest rate and liquidity risk, refer to Note 32.

19. Employee benefits

Accounting policies

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 in other payables 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.

a) Composition

	2017 $'000	2016 $'000
Annual leave provision	2,253	2,178
Long service leave provision	2,772	2,557
	5,025	**4,735**

b) Disclosure in the Consolidated Statement of Financial Position

	2017 $'000	2016 $'000
Current provision	4,294	4,095
Non-current provision	731	640
	5,025	**4,735**

c) Defined contribution superannuation funds

	2017 $'000	2016 $'000
Contributions to defined contribution superannuation funds	**3,033**	**2,892**

Notes to the Consolidated Financial Statements

For the year ended 30 June 2017

20. Share capital and Reserves

Accounting policies

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.

Foreign Currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

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 Long Term Incentive plans granted is recognised in the employee compensation reserve over the vesting period.

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

	2017 number	2016 number
Composition of issued capital		
Fully paid ordinary shares	**120,430,683**	**120,430,683**

b) Composition and movement in share capital (dollars)

	2017 $'000	2016 $'000
Composition of issued 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
2017 year:						
Opening balance	**(4,045)**	**(86)**	**(914)**	**(9)**	**169**	**(4,885)**
Net change in fair value of available-for-sale financial assets transfered to profit or loss, net of tax	-	-	-	9	-	9
Effective portion of change in fair value of cash flow hedge	-	86	-	-	-	86
Share of associates' change in reserve, net of tax	4,045	-	914	-	-	4,959
Share-based payments	-	-	-	-	59	59
Closing balance	**-**	**-**	**-**	**-**	**228**	**228**
2016 year:						
Opening balance	**(1,010)**	**(689)**	**(914)**	**3,303**	**78**	**768**
Net change in fair value of available-for-sale financial assets, net of tax	-	-	-	-	-	-
Net change in fair value of available-for-sale financial assets transfered to profit or loss, net of tax	-	-	-	(3,312)	-	(3,312)
Effective portion of change in fair value of cash flow hedge	-	603	-	-	-	603
Share of associates' change in reserve, net of tax	(3,035)	-	-	-	-	(3,035)
Share-based payments	-	-	-	-	91	91
Closing balance	**(4,045)**	**(86)**	**(914)**	**(9)**	**169**	**(4,885)**

21. Dividends

Accounting policies

Dividends

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

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

	2017 $'000	2016 $'000
2017 year interim - 10.0 cents per share	12,043	-
2017 year special - 80.0 cents per share	96,345	-
2016 year final - 10.0 cents per share	12,043	-
2016 year interim - 10.0 cents per share	-	12,043
2015 year final - 10.0 cents per share	-	12,043
Total dividends paid	**120,431**	**24,086**

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For the year ended 30 June 2017

Dividends cents per share - paid / payable

	2017	2016
Interim	10.00	10.00
Special	80.00	-
Final	10.00	10.00
Total	**100.00**	**20.00**

The final 10cents per share fully franked dividend was declared after balance date and has not been provided for. It is scheduled for payment on 31 October 2017. 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 2017 and will be recognised in subsequent financial statements.

22. Earnings per share

Accounting policies

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.

	2017 $'000	2016 $'000
Consolidated (loss) / profit		
Continuing operations	13,701	10,280
Discontinued operations	(104,251)	15,336
Attributable to ordinary shareholders of the Company	**(90,550)**	**25,616**

	2017	2016
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 Cabcharge's earnings per share which might arise following the exercise of the LTI awards is immaterial given the number of existing shares on issue.

	2017	2016
Basic EPS		
Continuing operations	11.4 cents	8.5 cents
Discontinued operations	(86.6 cents)	12.7 cents
Attributable to ordinary shareholders of the Company	**(75.2 cents)**	**21.3 cents**
Diluted EPS		
Continuing operations	11.4 cents	8.5 cents
Discontinued operations	(86.6 cents)	12.7 cents
Attributable to ordinary shareholders of the Company	**(75.2 cents)**	**21.3 cents**

23. Dividend franking balance

	2017 $'000	2016 $'000
Balance at the end of the financial year including franking credits arising from income tax payable in respect of the financial year.	**35,799**	**78,126**

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 (2016: $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 $35,799,000 (2016: $78,126,000) franking credits.

24. Parent entity disclosures

As at, and throughout, the financial year ended 30 June 2017 the parent entity of the Group was Cabcharge Australia Limited.

	Parent Entity	
	2017 $'000	2016 $'000
Result of the parent entity		
Profit for the year	21,251	32,814
Other comprehensive income	-	(1,161)
Total comprehensive income for the year	**21,251**	**31,653**
Financial position of parent entity at year end		
Current assets	73,744	86,461
Non-current assets	249,829	445,229
Total assets	**323,573**	**531,690**
Current liabilities	4,871	7,982
Non-current liabilities	141,888	247,774
Total liabilities	**146,759**	**255,756**
Total equity of the parent entity comprising of:		
Share capital	138,325	138,325
Reserves	228	168
Retained earnings	38,261	137,441
Total equity	**176,814**	**275,934**

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 2017 (2016: nil).

Parent entity guarantees in respect of the debts of its subsidiaries

The parent entity has entered into a Deed of Cross Guarantee with the effect that the Company guarantees debts in respect of certain subsidiaries.

Further details of the Deed of Cross Guarantee and the subsidiaries subject to the deed are disclosed in Note 25.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2017

25. Deed of Cross Guarantee

Pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785, the wholly-owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports, and Directors' reports.

It is a condition of the Class Order that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporation Act 2001. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

In FY16 the Company entered into a Deed of Cross Guarantee with its wholly-owned subsidiaries.

The subsidiaries subject to the Deed are:

- Taxis Combined Services Pty Ltd
- Black Cabs Combined Pty Ltd
- Yellow Cabs (South Australia) Pty Ltd

The Consolidated income statement and retained earnings for the Company and controlled entities which are a party to the Deed is as follows:

	2017 $'000	2016 $'000
Revenue	151,522	166,194
Expenses	(109,799)	(110,139)
Results from operating activities	**41,723**	**56,055**
Finance income	1,853	896
Finance costs	(3,502)	(5,615)
Profit before income tax	**40,074**	**51,336**
Income tax expense	(7,783)	(16,581)
Profit for the year	**32,291**	**34,755**
Retained earnings at beginning of year	235,949	225,280
Dividends provided for or paid	(120,431)	(24,086)
Retained earnings at end of year	**147,809**	**235,949**

The Consolidated financial position for the Company and controlled entities which are a party to the Deed is as follows:

	2017 $'000	2016 $'000
Current Assets		
Cash and cash equivalents	24,353	9,192
Trade and other receivables	59,767	61,515
Inventories	974	1,213
Other current assets	1,266	982
Total Current Assets	**86,360**	**72,902**
Non-Current Assets		
Trade and other receivables	827	1,140
Advances to associates	-	18,812
Investments	173,817	363,522
Property, plant and equipment	26,861	30,849
Net deferred tax assets	1,771	1,611
Taxi plate licences	13,332	25,736
Goodwill	14,392	14,392
Intellectual property	11,316	6,131
Total Non-Current Assets	**242,316**	**462,193**
Total Assets	**328,676**	**535,095**
Current Liabilities		
Trade and other payables	10,810	20,534
Interest rate swaps	-	123
Current tax liabilities	1,019	4,103
Employee benefits	3,733	3,390
Total Current Liabilities	**15,562**	**28,150**
Non-Current Liabilities		
Non-interest bearing liabilities	25,582	25,582
Loans and borrowings	-	106,000
Employee benefits	683	520
Total Non-Current Liabilities	**26,265**	**132,102**
Total Liabilities	**41,827**	**160,252**
Net Assets	**286,849**	**374,843**
Equity		
Share capital	138,325	138,325
Reserves	715	569
Retained earnings	147,809	235,949
Total Equity	**286,849**	**374,843**

Notes to the Consolidated Financial Statements

For the year ended 30 June 2017

26. Related Party and Key Management Personnel 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)

	2017 $	2016 $
Short-term employee benefits - salary, fees, non-cash benefits and cash bonus	4,282,052	3,183,674
Post-employment benefits - superannuation	201,654	181,235
Other long-term benefits	75,979	34,041
Share-based payment expense	71,575	80,405
	4,631,260	**3,479,355**

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 no transactions with related parties in the reporting period.

d) Other related party transactions

Related parties	Relationship	Nature of transaction	2017 $	2016 $
ComfortDelGro Cabcharge Pty Ltd	Associate	(i)	-	18,812,086
		(ii)	419,463	694,944

(i) The shareholders in CDC 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 in FY16 was $18,812,086 reflecting 49% of the total shareholder loans. This shareholder loan was fully repaid on 15 February 2017.

(ii) Interest on shareholder loan paid by CDC.

27. Remuneration of auditors

	2017 $	2016 $
Audit services		
Auditors of the Company - KPMG Australia		
Audit and review of financial reports	375,000	349,000
Other regulatory services	34,500	65,600
Other auditors		
Audit and review of financial reports	17,000	75,000
Other services		
Auditors of the Company - KPMG Australia		
Taxation services	166,920	107,121
Other auditors		
Internal Audit	98,700	100,374
Other services - internal auditor	126,161	135,908
	818,281	**833,003**

28. Particulars relating to controlled entities

	Group Interest % 2017	Group Interest % 2016
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
Cabcharge Payments Pty Ltd*	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
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
Cabcharge New Zealand Limited	100	100
Cabcharge North America Ltd	93	93

*Entity established during the year

** Entity wound up during the year

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29. 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 2017 (2016: $nil).

30. Operating lease commitments

Accounting policies

Operating leases are not recognised in 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

	2017 $'000	2016 $'000
Due within one year	1,566	1,509
Due within one year go five years	569	1,624
Due later than five years	-	-
Total operating lease commitments	**2,135**	**3,133**

Lease commitments are in relation to the Group's offices in various locations. Under these arrangements the Group generally pays rent on a monthly basis at rates agreed at the inception of the lease.

31. Notes to the Consolidated Statement of Cash Flows

Accounting policies

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.

The carrying value of cash is considered to approximate fair value.

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

	2017 $'000	2016 $'000
(Loss) / Profit for the year attributable to owners of the Company	(90,550)	25,616
Adjustment for non-cash items:		
Depreciation and amortisation	13,708	15,668
Capitalised development costs written-off	1,577	-
Net (profit) on disposal of property, plant and equipment	(1,689)	(13,921)
Net (profit) on sale of investments	-	(4,493)
Share-based payments	59	91
Impairment charge	8,277	27,680
Loss / (Profit) from discontinued operations (net of income tax)	104,251	(15,336)
Changes in assets and liabilities, net of the effects of purchase of subsidiaries:		
Change in trade and other debtors	565	12,714
Change in inventories	310	1,274
Change in creditors and accruals	199	(4,880)
Change in provisions	290	(449)
Change in income taxes payable	969	2,562
Change in deferred tax balances	(121)	-
Net cash provided by operating activities	**37,845**	**46,526**

b) Cash and cash equivalents

	2017 $'000	2016 $'000
Cash on hand and at bank	9,473	10,993
Money market deposits	19,983	2,046
Balance per Consolidated Statement of Cash Flows	**29,456**	**13,039**

c) Restricted cash

There was no restricted cash at 30 June 2017 (30 June 2016: $nil).

32. Financial instruments and financial risk management

a) Overview

The Board 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 equity, which the Group defines as profit after tax divided by total shareholders' equity. The Board also determines 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 equity over the medium term.

There were no changes in the Group's approach to medium term 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 the 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 activities. The Committee reports regularly to the Board of Directors on risk management.

Risk management practices are established to identify and analyse the risks faced by the Group, to set appropriate policies which include risk limits and controls, and to monitor risks and adherence to policies. Risk management practices 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.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2017

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

- The Board has established delegated limits and authority for agreements, contracts and receivable write-off;
- Each new customer is analysed individually for creditworthiness under a credit policy 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 (refer to Note 3).

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.

Investments

The Group limits its exposure to credit risk by placing deposits with major Australian banks.

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 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
2017 year						
Trade and other payables	25,775	25,775	25,775	-	-	-
Loans and borrowings	3,676	3,801	3,801	-	-	-
Interest rate swaps used for hedging	-	-	-	-	-	-
	29,451	**29,576**	**29,576**	**-**	**-**	**-**
2016 year						
Trade and other payables	25,576	25,576	25,576	-	-	-
Loans and borrowings	109,663	113,556	3,793	-	109,763	-
Interest rate swaps used for hedging	123	123	-	-	123	-
	135,362	**139,255**	**29,369**	**-**	**109,886**	**-**

	2017 $'000	2016 $'000
Financial facilities		
Revolving credit facility	80,000	192,500
Multi option facility	20,000	7,500
Total facility	**100,000**	**200,000**
Amount used	**-**	**106,000**
Amount unused	**100,000**	**94,000**

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 current operational expenses, 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.

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 using hedging instruments 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.

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, atributable 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.

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

	Carrying Amount	
	2017 $'000	2016 $'000
Fixed rate instruments		
Financial assets	6,637	9,265
Financial liabilities	-	(85,000)
	6,637	**(75,735)**
Variable rate instruments		
Financial assets	29,456	31,851
Financial liabilities	(3,676)	(24,663)
	25,780	**7,188**

Notes to the Consolidated Financial Statements

For the year ended 30 June 2017

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 2016.

	Profit or loss	
	100 bp increase $'000	100 bp decrease $'000
2017	(50)	50
2016	(1,040)	1,040

Investments

The Group limits its exposure to market risk by investing in unlisted companies which are related to Taxi business. The investment in unlisted companies was $1,949,000 as at 30 June 2017 (refer to Note 8).

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:

	2017	2016
Loans and borrowings	3.2% to 3.6%	3.4% to 3.7%
Finance lease receivables	7.5% to 13.5%	7.5% to 12%
Interest rate derivatives	-	2.1% to 3.3%

Fair value hierarchy

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

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.

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 2017				
Interest rate swap used for hedging	-	-	-	-
	-	**-**	**-**	**-**
30 June 2016				
Interest rate swap used for hedging	-	(123)	-	(123)
	-	**(123)**	**-**	**(123)**

There have been no transfers between levels for the year ended 30 June 2017.

33. Operating segment

Accounting policies

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.

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.

During the year the Group sold the associates which were equity accounted by Cabcharge, refer to Note 10 & 11.

	Taxi related services		Bus & coach services		Consolidated	
	2017 $000	2016 $000	2017 $000	2016 $000	2017 $000	2016 $000
Revenue						
External revenue	151,949	168,808	-	-	151,949	168,808
Result						
Reported result	25,970	27,057	-	-	25,970	27,057
(Loss) / Profit from discontinued operation, net of tax	(34,565)	836	(69,686)	14,500	(104,251)	15,336
Segment result	**(8,595)**	**27,893**	**(69,686)**	**14,500**	**(78,281)**	**42,393**
Net finance (costs) / income					(1,688)	(393)
Income tax expense					(10,581)	(16,384)
(Loss) / Profit for the period					**(90,550)**	**25,616**
Other disclosures						
Segment assets, excluding investments accounted for using the equity method	216,597	234,017	-	-	216,597	234,017
Other-investments accounted for using the equity method	-	44,807	-	251,786	-	296,593
Segment liabilities	35,443	141,698	-	-	35,443	141,698
Depreciation and amortisation	13,708	15,668	-	-	13,708	15,668
Impairment charges	8,277	27,680	-	-	8,277	27,680

Notes to the Consolidated Financial Statements

For the year ended 30 June 2017

34. Share-based payment

Accounting policies

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.

The total share-based payment expense for the year was $59,101 (FY16:$91,154).

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
2017 year						
Rights granted to CEO and key management personnel On 6 June 2016	194,704	Absolute Total Shareholder Return (market condition)*	Monte Carlo simulation	$1.68	15 September 2020	1 July 2016 to 30 June 2020
	194,704	Strategic Milestone (non-market condition)*	Black Scholes	$3.16		
Total number of Rights	**389,408**					
2016 year						
Rights granted to CEO and key management personnel On 6 June 2016	122,408	Absolute Total Shareholder Return (market condition)*	Monte Carlo simulation	$0.80	15 September 2019	1 July 2015 to 30 June 2019
	61,204	Strategic Milestone (non-market condition)*	Black Scholes	$2.67		
Total number of Rights	**183,612**					

* Details of the operation of LTI awards are outlined in the Directors' Report from page 50 to 69.

b) Key assumptions

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

	2017	2016
	30 January 2017	6 June 2016
Share price at grant date	$3.73	$3.22
Expected life	4 years	4 years
Expected volatility	35%	35%
Dividend yield	4.7%	5.9%
Risk-free interest rate	1.95%	1.53%

c) Reconciliation

The reconciliation of outstanding rights is shown the following table:

	Number of Rights	
Performance Rights reconciliation	2017	2016
Rights outstanding as at 1 July	300,358	116,746
Rights granted	389,408	183,612
Rights forfeited	-	-
Rights lapsed	-	-
Rights exercised	-	-
Rights outstanding as at 30 June	**689,766**	**300,358**
Rights exercisable as at 30 June	**-**	**-**

35. Subsequent event

Dividends

The Directors have declared a final dividend of 10 cents per share (fully franked) scheduled to be paid on 31 October 2017. The record date to determine entitlement to dividend is 29 September 2017.

Acquisition of Yellow Cabs Queensland

During the year the Company entered into a conditional agreement to acquire the business of Yellow Cabs Queensland for a consideration of $19.5million. Satisfaction of the conditions precedent to the agreement were completed on 31 July 2017, being the date of the acquisition.

As part of this acquisition, the Company has a property lease with an initial term of 10 years and two 5 year renewal options. The expected increase in operating lease commitments at 31 July 2017 is approximately $8 million for the initial 10 years term.

Due to the limited time between the completion date and the date the Consolidated Financial Statements were authorised for issue, certain disclosures required by AASB 3 Business Combinations have not been made.

Sale of associate, CityFleet Networks Ltd

On 28 July 2017 the Company received the funds of GBP7.9 million from sale of CFN.

Other than the matter above, there have been no events subsequent to the reporting date that would have had a material impact on the Group's financial statements as at 30 June 2017.

Directors Declaration

For the year ended 30 June 2017

1. In the opinion of the Directors of Cabcharge Australia Limited (**Company**):
   a. the Consolidated Financial Statements and Notes set out on page 74 to 113, and the Remuneration Report in the Directors' Report, set out on page 51 to 69, are in accordance with the Corporation Act 2001, including:
      i. giving a true and fair view of the consolidated entity's financial position at 30 June 2017 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. there are reasonable grounds to believe that the Company and the controlled entities identified in Note 25 as parties to a Deed of Cross Guarantee will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those entities pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785.
2. The Consolidated Financial Statements and Notes comply with International Financial Reporting Standards as disclosed in Note 2.
3. The Directors have been given the declarations by the Chief Executive Officer and the Chief Financial Officer required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors

Paul Oneile
Chairman
28 August 2017

Andrew Skelton
Managing Director
28 August 2017

Independent Auditor's Report

For the year ended 30 June 2017

KPMG

Independent Auditor's Report

To the shareholders of Cabcharge Australia Limited,

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Cabcharge Australia Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group***'s financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2017
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Independent Auditor's Report continued

For the year ended 30 June 2017

KPMG

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Valuation of taxi plate licenses
- Valuation of goodwill

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of taxi plate licenses at 30 June 2017 ($29.5m)

Refer to Note 14 to the Financial Report

The key audit matter	How the matter was addressed in our audit
Valuation of taxi plate licences is a Key Audit Matter due to: • The level of judgement required by us in evaluating the estimates determined by management for forecast revenues. This is a significant driver in the taxi plate license value in use model. • The level of growth in revenue for taxi companies continues to be threatened by changes in consumer habits and government regulations. This is driven by the increased use of alternative platforms, including mobile application based offerings and restrictions on taxi fee incomes. These ongoing changes create uncertainty in the key assumptions used in the taxi plate licence value in use model, and were a focus of our audit work, specifically: - taxi plate license growth expectations: short, medium and long term; and - the discount rate. These conditions increase the risk of inaccurate forecasts or a wider range of possible outcomes for us to consider.	Our procedures included: • Working with our valuation specialists, we challenged the valuation assumptions used to value the taxi plate licenses. This included evaluating the key inputs to the discount rate, including the risk free rate, cost of debt, market participant gearing levels and industry beta, against published rates of comparable entities. • We challenged the short, medium and long term forecast for taxi plate license growth expectations by assessing the assumptions against external analyst reports and published industry growth expectations. • We assessed the historical accuracy of the Group's revenue forecasts, by comparing the forecasts used in the prior year model to the actual revenue generated in the current year. We also considered the changes in the contracted price for licenses. These procedures enabled us to evaluate the accuracy of forecasting the cash flows as included in the value in use calculations. • We assessed the mathematical accuracy of the Group's value in use model. • We performed a sensitivity analysis on key assumptions, in particular the discount rate and growth expectations

KPMG

	rates to assess the risk of bias or inconsistency in application. • We assessed the disclosures in relation to the valuation by comparing these disclosures to our understanding of the valuation, the business and accounting standards requirements.

Valuation of Goodwill at 30 June 2017 ($15.2m)	
Refer to Note 15 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
The valuation of Goodwill is considered a key audit matter due to: • The industry in which the Group operates is impacted by disruptive technologies. Further, there are changes in government regulations impacting the taxi service fee that can be applied when processing payments. These conditions increase the possibility of goodwill being impaired. • Discount rates which are applied to determine the Goodwill value are complicated in nature and vary according to the conditions and environment the specific CGU is subject to. We involve our valuations specialists with the assessment of this assumption. • In addition to the above, the Group's models are largely manually developed and the application of corporate cost and assets to each CGU requires judgment. • These conditions necessitate additional scrutiny by us, in particular to address the objectivity of sources used for assumptions, and their consistent application.	Our audit procedures included: • We assessed the growth rate assumptions for each CGU based on comparable companies and industry data. We considered impact of industry and regulatory changes on the Group's key assumptions, for indicators of bias and inconsistent application, using our industry knowledge. • We performed sensitivity analysis focusing on the forecast cash flows, the discount rate and terminal growth rate, within a reasonably possible range, to identify those assumptions which are at higher risk of bias or inconsistency in application and to focus our further procedures. • Working with our valuation specialists, we independently assessed and challenged the Group's discount rate against publicly available data of group of comparable entities. • We assessed the allocation of corporate costs and assets to CGUs by comparing the Group's allocation methodology to our understanding of the business and the criteria in the accounting standards. • We assessed the accuracy of previous forecasting for the Group as an indicator to inform our evaluation of forecasts included in the value in use models. • We assessed the Group's disclosures of the qualitative and quantitative considerations in relation to the valuation of

Independent Auditor's Report continued

For the year ended 30 June 2017

	goodwill, by comparing these disclosures to our understanding of the matter and accounting standard requirements.

Other Information

Other Information is financial and non-financial information in Cabcharge Australia Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar2.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Cabcharge Australia Limited for the year ended 30 June 2017, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

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 responsibilities

We have audited the Remuneration Report included in pages 52 to 69 of the Directors' report for the year ended 30 June 2017.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG
Sydney

Julie Cleary
28 August 2017

Shareholder Information

For the year ended 30 June 2017

The information below was prepared as at 4 September 2017.

20 largest shareholders

	Name	Number of shares held	% of issued capital
1	HSBC Custody Nominees (Australia) Limited	42,828,073	35.56
2	J P Morgan Nominees Australia Limited	11,749,083	9.76
3	Pershing Australia Nominees Pty Ltd	8,980,676	7.46
4	Citicorp Nominees Pty Ltd	8,408,673	6.98
5	BNP Paribas Noms Pty Ltd	7,064,450	5.87
6	Swan Taxis Pty Ltd	2,631,004	2.18
7	National Nominees Limited	1,810,051	1.50
8	BNP Paribas Nominees Pty Ltd	1,753,708	1.46
9	Legion Cabs (Trading) Co-Operative Society Limited	1,750,000	1.45
10	Warbont Nominees Pty Ltd	732,284	0.61
11	Sandhurst Trustees Limited	580,000	0.48
12	Ms Faby Fielan Chong	525,487	0.44
13	National Exchange Pty Ltd	500,000	0.42
13	Prudential Nominees Pty Ltd	500,000	0.42
14	Mr Raymond John Meredith	303,702	0.25
15	Paden Valley Investments Pty Ltd	270,080	0.22
16	Mr Mark Hudson	241,628	0.20
17	Mr Ian Alexander Armstrong	233,212	0.19
18	Mrs Marianne Parass	220,000	0.18
19	Buttonwood Nominees Pty Ltd	164,961	0.14
20	Invia Custodian Pty Ltd	163,665	0.14
	Total	**91,410,737**	**75.91**

Substantial shareholders

Name	Number of shares held	% of issued capital
ComfortDelGro	11,611,680	9.6
Investors Mutual	11,368,577	9.4
Standard Life Aberdeen	11,196,703	9.3
Edgbaston Investment Partners	8,296,245	6.9
Spheria Asset Management	7,846,377	6.5

Information included in the substantial shareholders table is sourced from substantial shareholder notices or the register that the Company maintains in accordance with section 672DA of the Corporations Act, in each case as at 4 September 2017.

Spread of shareholders

Holding	Number of shareholders	Number of shares held	% of issued capital
1 – 1,000	1,931	1,058,252	0.88
1,001 – 5,000	2,129	5,633,838	4.68
5,001 – 10,000	636	4,401,052	3.65
10,001 – 100,000	648	16,312,724	13.55
100,001 and over	37	93,024,817	77.24
Total	**5,381**	**120,430,683**	**100.00**

512 shareholders hold less than a marketable parcel of shares in the Company based on the closing market price on 4 September 2017.

Corporate Directory

Voting rights

The voting rights of shareholders are set out in the Company's Constitution. Each shareholder is entitled, either personally, or by proxy, attorney or representative, to be present at any general meeting of the Company and to vote on any resolution on a show of hands or on a poll. Every shareholder present in person, by proxy, or attorney or representative, has one vote for every share held.

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

ASX listing

The Company's ordinary shares are quoted on the ASX under the trading code 'CAB', with Sydney being the Company's home exchange.

Details of trading activity are published in most daily newspapers and are also available on a 20 minute delayed basis, on the Company's website at www.cabcharge.com.au/shareholder-information/share-price.

The Company is not currently conducting an on-market buy-back of its shares.

Website

An electronic version of the Annual Report is available on the Company's website at www.cabcharge.com.au. A printed copy of the Annual Report will only be sent to shareholders who have elected to receive one.

Annual General Meeting 2017

The Annual General Meeting of shareholders of Cabcharge Australia Limited will be held at 11.00am on Tuesday 21 November 2017 in the Heritage Ballroom, The Westin Sydney.

Full details will be provided in the Notice of Meeting.

Registered Office

Cabcharge Australia Limited
ABN 99 001 958 390
152-162 Riley Street
East Sydney NSW 2010
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F: +61 2 9361 4248

www.cabcharge.com.au

Company Secretary

Mr Adrian Lucchese

Auditor

KPMG
International Towers Sydney 3
300 Barangaroo Avenue
Sydney NSW 2000

Share Registry

Postal Address
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Locked Bag A14
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T: 1300 724 911

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