Cabcharge Australia Limited

Annual Report 2018

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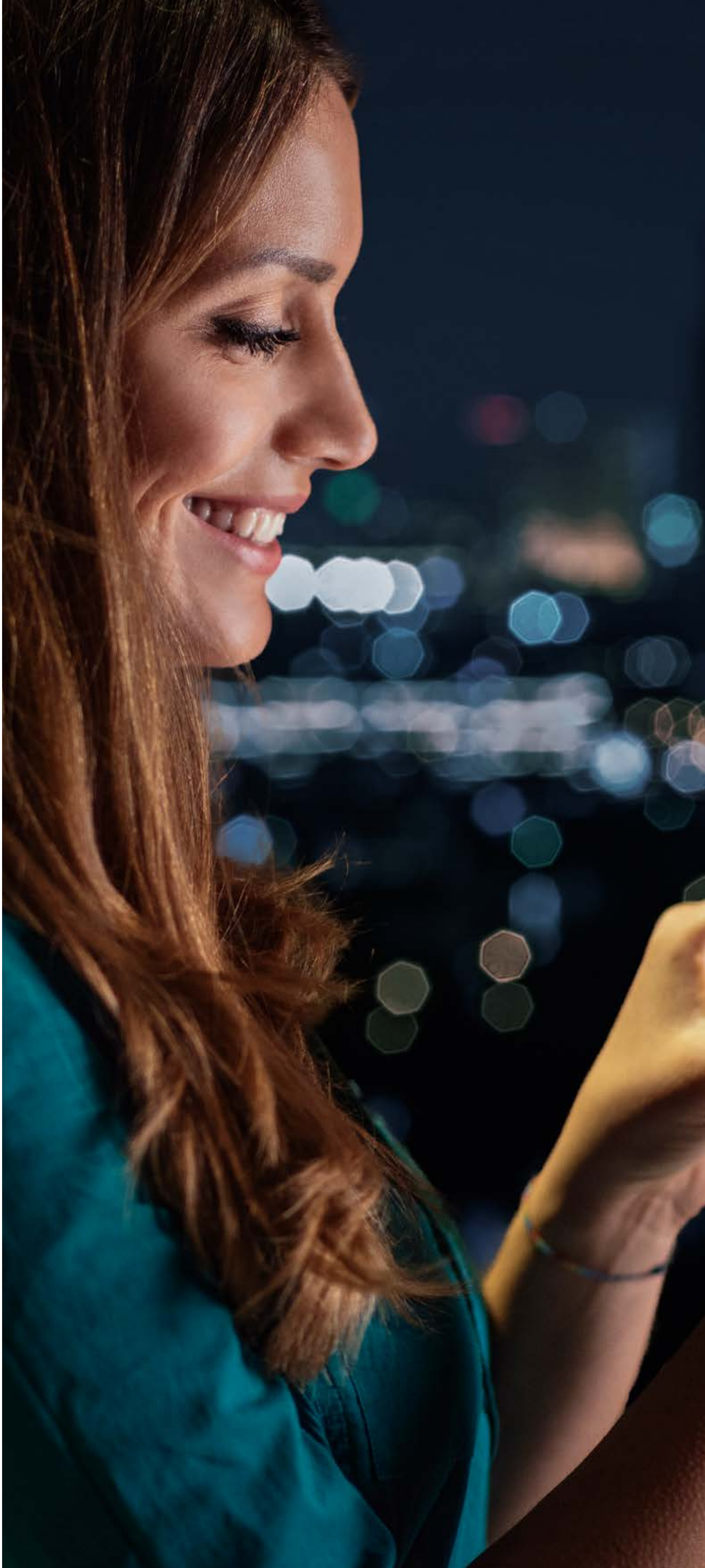

Connecting you with people and places

Cabcharge continues to invest in our vision and overarching purpose of connecting you with people and places and we are determined to capture opportunities in the growing personal transport market and win Customers through exceptional service that is consistent, dependable and trusted.

The personal transport market continues to evolve providing new opportunities and challenges. We have responded to the changing landscape by increasing our investment in service improvements, marketing, technology and importantly, our people. We will continue to actively engage with our stakeholders to deliver innovative solutions to our Customers, contribute to our community, and create value for our shareholders.


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FY18 highlights
Momentum building

#1
Payment terminal provider

↑$993m
Taxi fares processed

↑4.5%
Growth in fares processed on pcp

7,033
Handheld terminals

#1
Taxi Network

9,471
Affiliated fleet size

↑28%
Growth in fleet on pcp

190
Operated fleet

#1
Taxi app

1.5m+
Downloads

↑74%
Growth in app downloads on pcp

4.7
Star rating in Apple's app store

Investing in brands and technology

13cabs
National brand

4.4 star
Average Passenger trip rating

Digital pass
Payments innovation

Brand Profile

CABCHARGE

"Driving better travel experiences"

Cabcharge Payments has been an innovator of payment technology for over 40 years. Our payment solutions offer Passengers and Drivers fast and secure cashless methods for paying Taxi fares and provide our account clients with improved control, deeper insights and end-to-end automation.

In July 2018 Cabcharge Payments launched a new strong and distinctive brand identity that represents our industry leadership and ongoing commitment to: "Driving better travel experiences".

Our payment products, FASTCARD and eTICKET, offer fast and secure cashless methods of payment for Taxi fares. Developed in-house in FY18 and launched in July, the Digital Pass is a revolutionary new way to pay for a Taxi with a phone and is a world first. Its functionality enables our clients to send a pass to their staff or guests anywhere, anytime, with customisable usage restrictions, demonstrating delivery of world-class service outcomes.

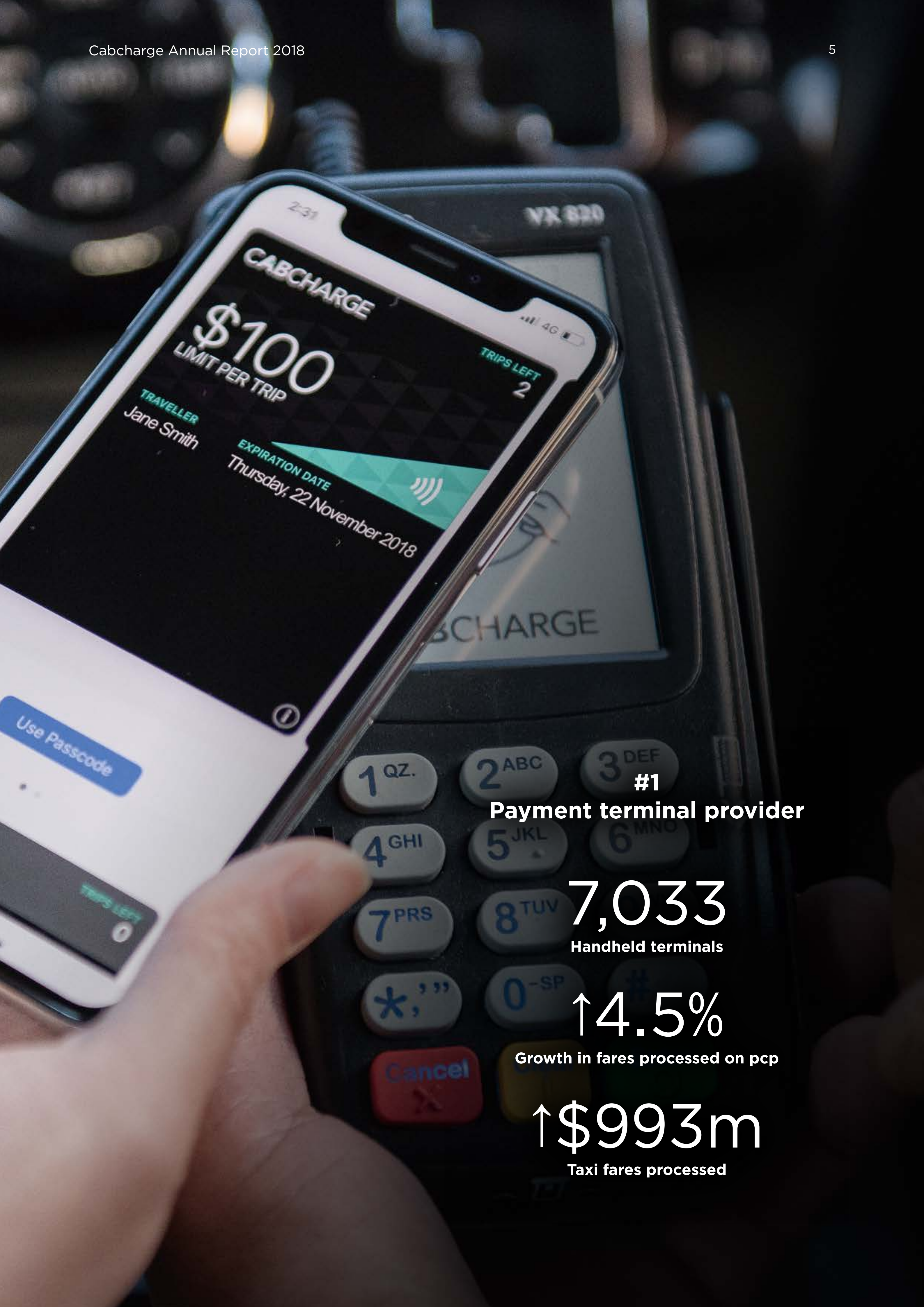
Cabcharge Plus, our cloud-based travel management solution, simplifies account management and ensures effective travel compliance with optional pre-trip approval and designation of trip purposes. Group-wide tracking, reporting and analysis provide our Customers with deep insights into travel activity and supports the meaningful application of corporate travel policies.

We continue to invest in our in-car and handheld electronic terminals, which process a variety of payment products – from cards to contactless smart phone payments.

Our FAREWAY*plus* terminal is installed in almost every Taxi in Australia. In FY18 we updated the user interface and software of FAREWAY*plus* to enable it to accept tips for Drivers and process Alipay QR codes and the new Cabcharge Digital Pass.

Our investment in handheld initiatives has seen demand for our handheld terminals Spotto (for Taxis) and Giraffe (for Hire Cars) continue to grow with 7,033 terminals being rolled out by the end of FY18. Handhelds generated 10% of total fares processed with our total Taxi fare payments processed increasing by 4.5% to $993m.

Recent additions to our Cabcharge Payments sales team and our increased investment in marketing and technology initiatives demonstrate our commitment to achieving growth and further product innovation.



#1
Payment terminal provider

7,033
Handheld terminals

↑4.5%
Growth in fares processed on pcp

↑$993m
Taxi fares processed

Brand Profile

13cabs

"We'll get you there"

True to our promise "We'll get you there", 13cabs is committed to getting people where they need to go.

In FY18 13cabs launched a fresh new brand identity which reflects our personality and our commitment to connecting people through a nationally recognised network.

Home to a diversified workforce of seasoned industry professionals guiding tomorrow's leaders, 13cabs is focused on driving innovation in the sector to create better outcomes for all stakeholders. The 13cabs fleet includes Silver Service and MAXI TAXI for larger groups.

From training Drivers at the start of their careers to developing innovative booking platforms, the business is embracing new ways of engaging with Drivers and helping them move people from A to B.

Firmly established in Sydney, Melbourne, Adelaide and Newcastle, 13cabs has expanded to Brisbane, Northern Territory and regional Victoria and provides a 24/7 booking service via three Australian-based contact centres.

Driven by an increase in Passenger demand and the acquisition of Yellow Cabs Queensland, our fleet grew by 28% in FY18 bolstering our total fleet to 9,471 vehicles. We achieved a 23% increase in subscription fees up $13.1 million from FY17. Our 13cabs app downloads exceeded 1.5 million making it the number 1 Taxi app in Australia with our Customers giving it a 4.7 star rating in the Apple app store. 13cabs has gone from strength to strength, reinvigorating the personal transport industry while delivering new levels of service excellence for Passengers and Drivers alike.

13cabs continues to make targeted investments in marketing, app development, booking technology and fleet management systems to improve every touch point across the business.

#1 Taxi app in Australia

1.5m+

Downloads

↑74%

Growth in app downloads on pcp

4.7

Star rating in Apple's app store

Letter from the Chairman

During my time at Cabcharge I have come to appreciate the significant contribution that the Taxi Industry makes to Australian society. It is pleasing to observe the work being done at Cabcharge to improve the services we provide and how we are contributing to the Taxi Industry's ability to emerge from a period of regulatory change and increasing competition with a strengthening value proposition.

The market in which we operate has changed substantially in recent years and so has the nature of our Company. One such change is a notable broadening of the scope of our activities. In addition to supporting Taxi Industry participants and travellers with a range of payment services, we are now operating a 13cabs Taxi Network in several cities throughout the country with approximately 10,000 vehicles utilising our dispatch and related services. We continue to deliver innovative payment solutions and software to a range of clients outside the Taxi Industry. We have acquired a courier business in Brisbane and won a Government Contract to transport school children in Adelaide. Whilst supporting the Taxi Industry throughout Australia will remain at the core of our DNA, we are recommending a change of corporate name to more accurately reflect the scope and nature of our activities present and future. Accordingly, the Notice of our 2018 Annual General Meeting includes a resolution to change our corporate name from Cabcharge Australia Limited to A2B Australia Limited, a new name that we believe more accurately communicates the Company's evolution and its pathway forward.

Positioned for growth

In FY18 Cabcharge has continued to invest in technology and marketing initiatives to strengthen the quality and consistency of our service offerings.

Total revenues increased by 22%, with 4.5% organic growth in payment turnover, 12% organic growth in affiliated fleet and the acquisition of Yellow Cabs Queensland. Payment turnover growth was also well supported by our handheld terminals that have been taken up by over 7,000 Drivers.

Cabcharge made a net profit after tax from continuing operations of $13.6 million (calculated on an underlying basis) for the year ended 30 June 2018. This is reflective of our reset earnings base which accounts for regulatory impacts following the introduction of price limits on service fees and our increased level of investment in people, marketing and technology.

Whilst the regulatory environment is stabilising, the changing industry landscape impacted FY18 statutory results with non-cash items including impairment charges on Taxi license plates of $15.6 million. The introduction of service fee caps across various states had an $8.3 million unfavourable impact on Taxi service fee income but this was partly offset by the overall growth in payment turnover.

Building value for shareholders

As we move into FY19, we have a reset business that is profitable, is generating cash, is debt-free, and is continuing to deliver growth in core revenue streams of payment turnover and fleet affiliation.

Customer satisfaction is key to our continued success. Accordingly, we have engaged with and connected more with Drivers and Taxi Operators and are seeing the benefits flow through to Passenger satisfaction.

Our world class 13cabs app enables Passengers to rate their trip experience. The average trip rating of 4.4 stars has increased substantially since FY17 (3.1 stars) which is an outstanding achievement in the current competitive landscape where Customer satisfaction is key to continued success.

With the latest addition of its new digital payment solutions, Cabcharge continues its history of providing world first electronic payment technologies in the personal transport market.

Near term growth opportunities include the acquisition of Mobile Technologies International. Acquiring this business would bring a core piece of dispatch technology in-house and enable Cabcharge to compete with fully integrated personal transport companies on a more equal footing – while benefitting both Passengers and Drivers. This acquisition also brings the opportunity for the Company to expand into new geographies providing scope to develop and scale our world-class technologies internationally.

Governance

Cabcharge continued its commitment to good corporate governance during FY18, as reflected by the Board renewal process and the updated skills matrix that seeks alignment between the Company's strategic initiatives and the mix of skills, attributes and expertise of the Directors.

In FY18 the Board appointed two independent Non-executive Directors, Louise McCann and Clifford Rosenberg, effective 29 August 2017. Both Directors bring demonstrated expertise in marketing and technology-driven businesses in the digital sector and their appointments are consistent with the Board's skills and diversity matrix.

Also during FY18, long-serving independent Non-executive Director, Mr Donnald McMichael, announced his retirement from the Board effective 30 June 2018. On behalf of the Board, I sincerely thank Donn for his significant and enduring contribution. Donn's corporate and industry knowledge were highly valued throughout the leadership transitions in recent years.

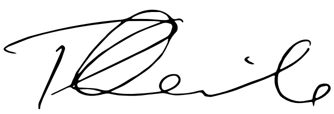
We were pleased to formally appoint Ton van Hoof as Chief Financial Officer effective 15 May 2018. Ton joined Cabcharge in 2015 in the position of Group Financial Controller bringing a strong track record in leading finance transformation and integration initiatives across various regions. Ton has proven to be a valuable contributor as we navigate a changing market and regulatory framework in the personal transport sector.

Outlook

The demand for convenient and professional personal transport solutions continues to grow. We expect industry competition to increase bringing both challenges and opportunities in equal measure. We face those challenges armed with world-class technology and a renewed commitment to service quality.

We have refreshed and defined our two key brands and established a modern suite of products and services that compete effectively with international players. Following the completion of our asset divestment program we have a reset cost base and are benefitting from green shoots across key metrics including payment turnover and network affiliation.

I would like to thank my fellow Directors for their invaluable support to both the Company and myself during the year and to acknowledge the contribution made by our staff, led by Andrew Skelton, during what has been yet another transformative year.



Paul Oneile
Chairman

Letter from the CEO

The Company's revenue base has broadened following a year highlighted by organic growth in payment turnover and affiliated fleet, the acquisition of Yellow Cabs in Brisbane, and the extension of our activities into fleet operations and school route and on-demand minibus services. Supporting the Taxi Industry throughout Australia with ready access to world class payment solutions and a pool of corporate clients remains a cornerstone of our business as we move forward. The broader nature of the Company's activities is beginning to reflect our purpose of being Australia's leading personal transport business. Our people are embracing the changing competitive landscape and reshaping our products and services. In recognition of how our Company is changing and growing our staff are pleased that consideration is being given to a new corporate name – A2B Australia Limited.

A key theme of FY18, and one we are extending into FY19, is our focus and investment in technology and marketing. The regulatory framework within which we have historically operated has changed substantially and industry dynamics are currently dominated by rigorous competition from international players and a fight for Customers. We are responding by strengthening our key brands, including Cabcharge and 13cabs, and building enhanced technologies that enable Taxi Networks, Operators and Drivers throughout Australia to provide better service to Passengers. The demand for personal transport in Australia is growing. Our strategy is to build strong brands and share class leading technologies that facilitate the Taxi Industry, including 13cabs, building a reputation as the emerging leader in the evolving market. During the year ahead and at odds with the competition, our stakeholders are more likely to notice an improvement in our service, a new tracking feature, or an innovative payment tool than they are likely to see discounted trips or subsidies at the expense of our Shareholders or even Drivers.

In July this year we launched a new logo for Cabcharge Payments. The fresh new logo ensures that the widely recognised Cabcharge name lives on in the important corporate client segment. The new Cabcharge Payments brand leverages the overhauled Cabcharge Account offering which now features our world first Digital Pass closed loop payment technology. Together with our class leading Cabcharge plus portal, Cabcharge Payments now offers clients dramatically more control and transparency accompanied by seamless distribution of payment tickets. Clients are beginning to recognise the technical enhancements we are delivering with Cabcharge Account turnover returning to growth in 2H18 for the first time since FY15.

In May this year we re-designed the 13cabs logo which connects the 13cabs fleet across Sydney, Melbourne, Brisbane, Adelaide, Newcastle, regional Victoria and the Northern Territory. The rebrand of 13cabs reflects a commitment to continued growth and integrates Yellow Cabs Queensland to create a national fleet under one brand. Fleet increased to 9,471 at 30 June 2018, all of which are now in the process of being connected by the new identity. Underpinning the transformation of the 13cabs brand is our investment in technology. We have infused the new brand styling into the 13cabs app providing a fresh new app experience that feels more personable, warm and friendly. We have significantly improved the app's performance and efficiency by increasing its speed and responsiveness enabling Passengers to get where they need to go faster and with greater accuracy than ever before. In keeping with our new brand promise – "we'll get you there" – we have reviewed and improved the accuracy of pick-up and destination co-ordinates resulting in increased certainty for both Passengers and Drivers. These efforts contributed to a 38% increase in app bookings in 2H18.

Our progressive approach to payments is supporting the Taxi Industry and the majority of State and Territory Governments in Australia. Governments in the ACT, Northern Territory, Queensland, Tasmania and Victoria are making use of the convenience granted to Passengers by widespread coverage and capturing the savings available to Governments from implementing electronic subsidy programs in place of outdated paper based processes. We continue to expand the range of payments Drivers can process with Alipay added in FY18 and are well positioned to support the expanding use of Apple Pay and Google Pay. In addition to offering payment terminals that can process the broadest range of transactions we enhanced our FAREWAY*plus* payment terminals with faster processing speeds and the introduction of an optional tipping feature for Drivers.

Professional Drivers, supported by well-equipped Taxi Operators and a high quality fleet, are the key to generating Passenger support and loyalty. During the last financial year almost 5,000 new Drivers chose to join the 13cabs Network. Our national marketing efforts are reaching Drivers and Operators who can see we are investing in their welfare. This is strengthening our relationship with these stakeholders who are in turn supporting efforts to improve the service quality for Passengers. The increase in Passenger trip ratings to 4.4 stars in FY18 (from 3.1 stars in FY17) is testament to our ongoing commitment to and focus on improving the Passenger experience.

We are confident that we have positioned Cabcharge for growth following our investments in service improvements, brands, technology and our staff and plan to evaluate acquisition opportunities that complement our core business or expand our operating footprint during FY19. We will continue our current level of investment in technology and marketing and focus on improving the calibre of the affiliated Taxi fleet – including the cars we operate – through a combination of fleet renewal, the introduction of vehicle age limits and an enhanced inspection program.

The personal transport industry is growing and the team at Cabcharge is proud to be delivering innovative technologies that support Taxi Networks, Drivers and communities across Australia.

Andrew Skelton
Chief Executive Officer and Managing Director

Cabcharge in the community

Cabcharge has a strong interest in developing meaningful community partnerships. We recognise the importance of providing our Customers and the community with services that are safe, accessible and efficient.

Cabcharge actively seeks to become involved in the communities in which we operate. We believe it is important to contribute to the community, both directly, and through involvement in, and support of personal transport industry initiatives. Throughout FY18 Cabcharge was engaged in a number of community initiatives.

Food for Families

Food for Families is Uniting's annual food collection appeal for people in need, particularly those experiencing illness, violence, homelessness or crisis.

In 2017, 13cabs supported Food for Families for the 5th consecutive year by filling 53 purple boxes with non-perishable food and essentials, which were delivered by MAXI TAXI in time for Christmas distribution. 13cabs' total contribution to the appeal is 183 boxes of food and essential items for people in need.

13cabs drive Jamie towards Paralympic dream

Training with the PARA Start swimming team at the University of Queensland, Jamie Booth's dream is to represent Australia at the 2020 Paralympic Games in Tokyo. Born 14 weeks premature, Jamie has cerebral palsy and is profoundly deaf, but that has never stopped her from making waves in the pool.

Jamie's regular MAXI TAXI Driver Gary and our 13cabs marketing team organised for Jamie to meet her role models, Olympic swimmers Cate and Bronte Campbell. Their advice was simple: "Just keep working hard". Working hard comes naturally to 17-year-old Jamie, who has used the 13cabs MAXI TAXI service to transport her to and from swimming training and school since the age of five, playing a big role in helping Jamie towards her Paralympic dream.

13cabs has also helped to create Jamie's crowdsourcing effort through her GoFundMe page and has partnered with Uniting Care, to arrange and fund a private coaching session for Jamie with Cate Campbell.

The Murray Rose Malabar Magic Ocean Swim

The Murray Rose Malabar Magic Ocean Swim raises money for Rainbow Club Australia, an organisation that provides swimming lessons for children with disabilities. Dawn Fraser is the patron of the Rainbow Club Australia. The Murray Rose Malabar Magic Ocean Swim now is the only ocean swim event in New South Wales with its own disability category.

In 2018, 13cabs and Silver Service Taxis and Drivers supported the 10th anniversary of the event by providing free transportation for children competing in the disability category and their guests. 13cabs transported approximately 72 people to the event via 18 Taxis. Participation by children with disabilities increased from 10 in 2017 to 24 participating in the event in 2018, some of whom had never seen the ocean or been to the beach.

Cabcharge also donated $5,000 and had a stall at the event which offered fresh fruit and bottled water to competitors.

13cabs Taxi Driver Memorial Cup

The 13cabs Taxi Driver Memorial Cup is an annual T20 cricket match held in Melbourne to commemorate and honour Taxi Drivers who have lost their lives on the job and to raise funds for the Monash Children's Hospital. A team of 13cabs Drivers compete against an All Stars team made up of former and current sports stars and entertainment personalities.

The 2018 13cabs Taxi Driver Memorial Cup was the fourth anniversary of the event and raised $19,949 for the Monash Children's Hospital. The total raised for the hospital through the 13cabs Taxi Driver Memorial Cup over the last four years is $72,921.

Guide Dogs NSW/ACT

13cabs partners with Guide Dogs NSW/ACT to provide ongoing Driver training so that the 13cabs team can provide high quality service and access to people living with sight loss, including Guide Dog users.

In celebration of the ongoing partnership 13cabs also committed to sponsoring a Guide Dog in-training "Spotto". The $35,000 sponsorship supported Spotto through the Guide Dog breeding and training program. 13cabs' Drivers and staff had regular visits from Spotto and also received updates on his progress through puppy raising, Guide Dog training and matching with a client. Spotto excelled in his training and recently graduated as a world-class Guide Dog and will go on to help provide freedom and independence to someone living with sight loss in the local community.

Royal Children's Hospital Good Friday Appeal

The Royal Children's Hospital Good Friday Appeal brings all sectors of the community together to raise funds for the Royal Children's Hospital.

In 2018 13cabs proudly celebrated its 22nd year supporting the Royal Children's Hospital Good Friday Appeal raising $16,647. 13cabs also organised a stall at the annual Kids Day Out event (which is part of the Good Friday Appeal) and raised a further $2,138.

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 included 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 a member of the Audit and Risk Committee and the Remuneration and Nominations Committee. Louise 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 of 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 and 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.

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.

Clifford Rosenberg
Independent Non-executive Director

Clifford was appointed as a Director in August 2017. He is a member of the Audit and Risk Committee and the Remuneration and Nominations Committee. Clifford is currently a Non-executive Director of Afterpay Touch Group Limited, Pureprofile Limited, Nearmap Limited and IXUP Limited. Clifford has over 20 years of 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.

Andrew Skelton
CEO and Managing Director

Andrew 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 20 years of experience in the personal transport industry. He has held senior management and executive roles in Taxi Networks, payments and operations, including as Chief Operating Officer of Black Cabs Combined from 2005 to 2011. Prior to this Andrew was a 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.

Operating and Financial Review

Principal activities

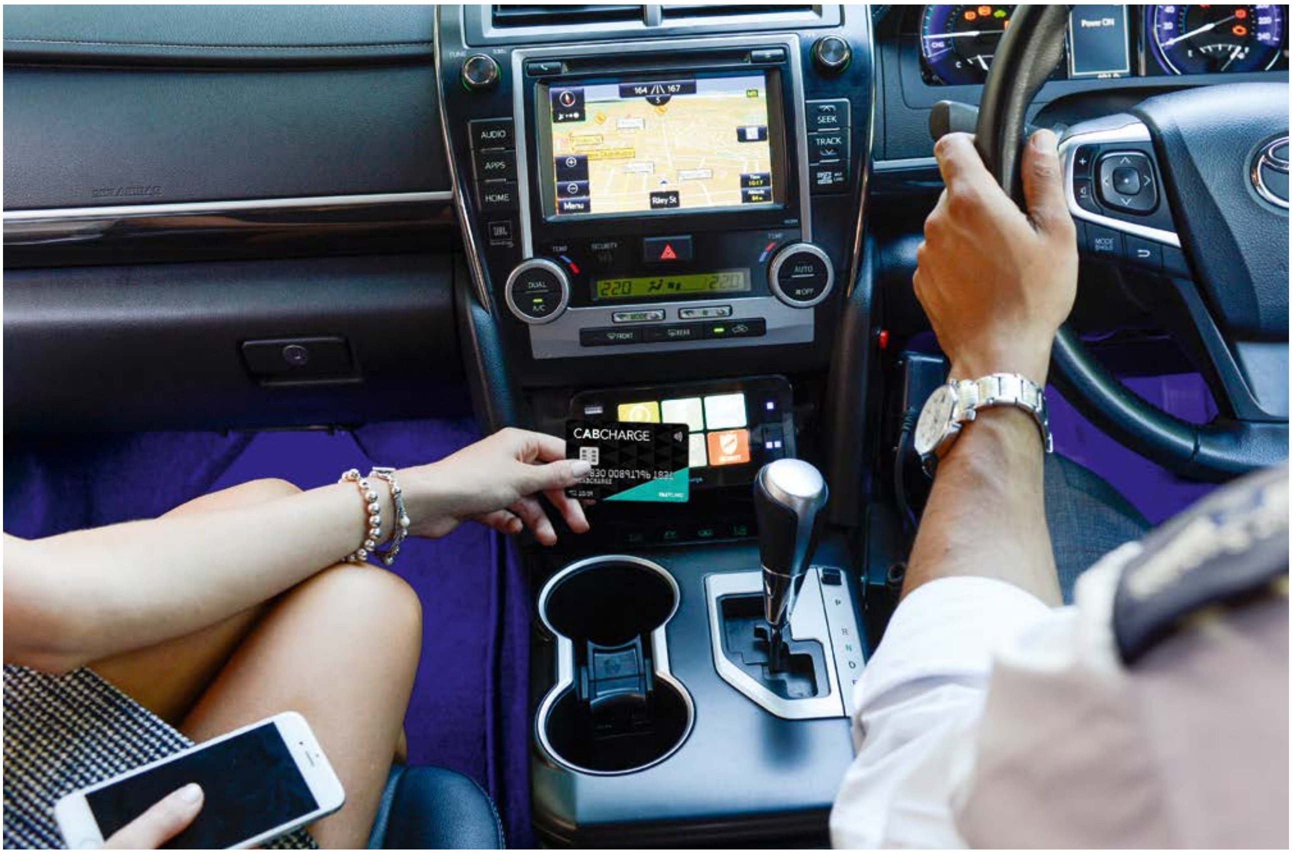
Cabcharge is a key participant in the personal transport industry facilitating bookings, trips and payments for its Corporate Account Customers, Passengers, Drivers and Taxi Operators 24 hours a day, seven days per week. Cabcharge is a leader in the Australian Taxi payments market and approximately 9,500 Taxis in Australia are affiliated with its 13cabs and Silver Service brands providing reliable, efficient and affordable personal transport services and digital payment software to help Passengers get from A to B.

Payments

Cabcharge provides payment services that enable Passengers to discharge their obligation to pay the Driver and that enable Drivers to process non-cash Taxi fare payments via credit and debit cards, or using a Cabcharge Corporate Account product. Cabcharge provides Passengers with a range of payment solutions to meet their personal transport needs. For Corporate clients, Cabcharge offers innovative products to charge travel expenditure on account and real time trip information that facilitates efficient management of travel expenditure.

The Cabcharge FASTCARD, credit and debit cards can be stored in the 13cabs and Silver Service booking Apps for a convenient end of trip payment experience. The Cabcharge Digital Pass – a digital version of the Cabcharge paper-based single use eTICKET was launched in July 2018. The Cabcharge Digital Pass is available on iPhones and enables a simple, seamless payment solution.

Through its FAREWAY*plus* and Spotto products, Cabcharge receives service fee income on non-cash Taxi payment transactions based on the value of the fare processed. Cabcharge also receives a monthly rental income for its Giraffe product (a handheld payment terminal popular with Hire Car Drivers).

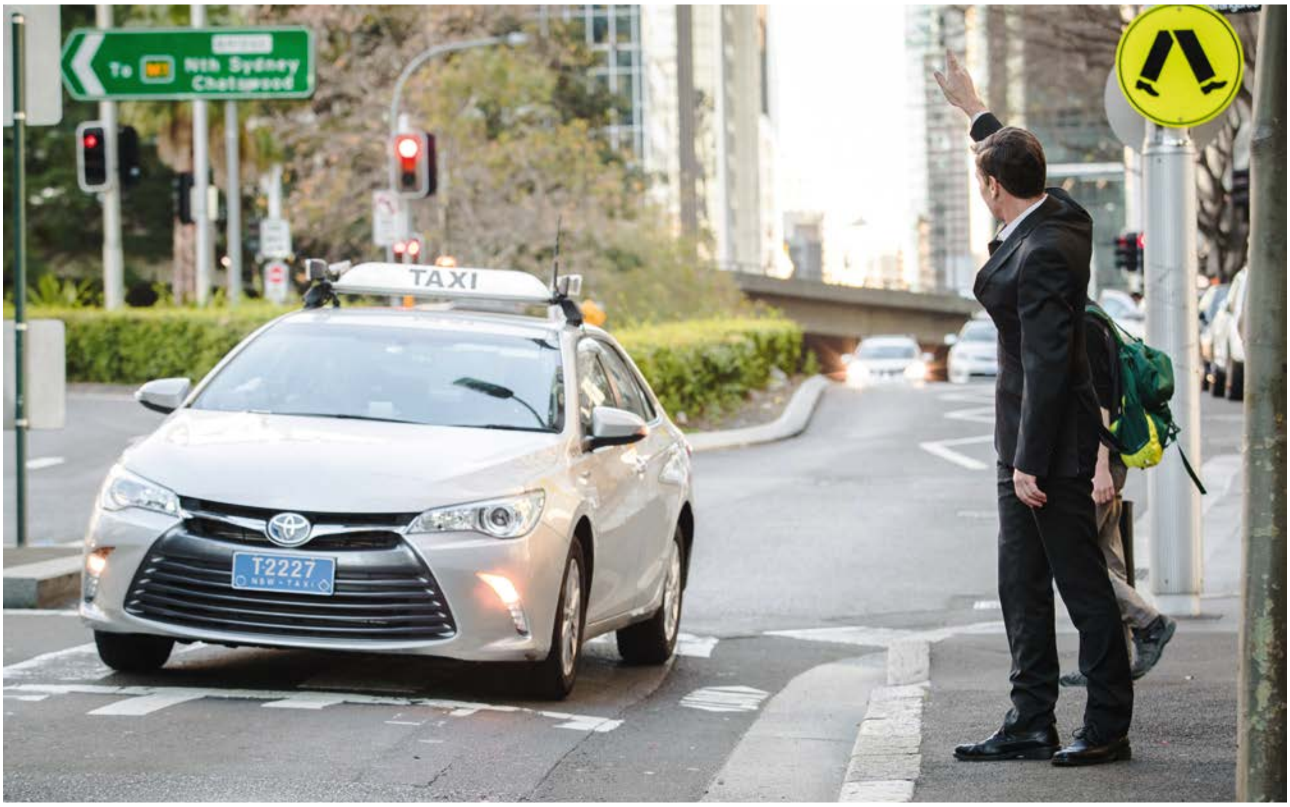


Bookings and trips

Cabcharge provides Taxi Network services under its 13cabs and Silver Service brands to Taxi Operators and Drivers in New South Wales, Victoria, South Australia, the Northern Territory and Queensland. These services include facilitation of efficient booking dispatch through world-class Apps; web and call centre operations; full Taxi fit outs (including branding and installation of in-car Taxi equipment); 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 to Passengers. Our Networks also broker Taxi licence plates on behalf of the owner to Taxi Operators.

Cabcharge owns and operates a fleet of 190 Taxis in its 13cabs Networks in Brisbane and Adelaide. Cabcharge receives income through the rental of these vehicles by independent Drivers.

The fixed monthly fee received from Taxi Operators for affiliation with 13cabs or Silver Service represents 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 Cabcharge's 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; courier services in Queensland; and software development for clients in the banking and retail sectors (clients include Australia Post, Woolworths, Westpac and Verifone).

Strategy and prospects

Cabcharge's vision 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.

The Company is well positioned to provide, grow, and enhance the products and services offered to Passengers, Drivers and Taxi Operators through strategic investments in technology and marketing.

Strategic focus

Investment decisions at Cabcharge are backed by clear strategic focus:

Developing world class **Technology** and effective marketing initiatives

Improving the value proposition for **Passengers** to capture the growing demand for personal transport

Supporting **Drivers** in the personal transport sector

Engaging with **Taxi Operators** and **Taxi Networks** to provide supportive infrastructure

FY18 progress

To achieve Cabcharge's vision management has followed through on its commitment to increase investment in marketing and technology; attracted almost 5,000 new 13cabs Drivers through a strong Driver value proposition; and strengthened the Network via refreshed branding in pursuit of its mission to be Australia's leader in the growing personal transport sector. In FY18 Cabcharge has made the following progress against its strategic initiatives:

Technology Investment for Enhanced User Experience:

Upgraded the 13cabs and Silver Service App functionality.

Redesigned mobile website.

Developed and deployed innovative payment and booking solutions (Digital Pass, Taxi Butler).

Announced the acquisition of Mobile Technologies International (subject to ACCC approval).

Marketing and Brand Development:

Launched strategic marketing initiatives for the refreshment of the 13cabs brand and integration of Yellow Cabs Queensland operations.

Developed redesign of Cabcharge Payments brand.

Growing Taxi Networks:

Achieved 28% growth in fleet size in FY18 fuelled by the acquisition of Yellow Cabs Queensland.

Organic fleet growth where regulatory conditions permit.

Regional bureau expansion predominantly across Victoria and New South Wales.

Won government contracts with New South Wales (12 month extension for the Wheelchair Accessible Taxi Service Zero 200 Agreement) and South Australia (won extended contract for school bus route services).

Stronger Driver/Operator Value Proposition:

Upgraded in-car infrastructure via redesigned interface of the FAREWAY*plus* payment terminal

Upgraded in-car safety infrastructure (13cabsi camera installed in 1,500 Taxis); new Driver training program

Announced partnerships with AliPay and Viva Fuel (offering 13cabs Drivers and Spotto users fuel discounts at 700+ Coles Express outlets)

Growth in distribution of Spotto terminals with releases in Queensland, South Australia and Western Australia and upgrades to the Driver Spotto Mobile App including improvements to user experience.

A significant milestone for Cabcharge and its commitment to agile software development is represented in the new Digital Pass. As mobile technology continues to facilitate a shift away from cash, it creates an opportunity for payments innovation and Cabcharge has delivered a better alternative to paper-based tickets with a world-first closed loop digitised version.

Cabcharge supports Drivers, Operators and Networks in growing their businesses through continuous improvements such as the redesigned interface on the in car payment terminal pinpad. The new interface and software now includes an optional tipping feature which more than 50% of Drivers have switched on since its implementation in June 2018 and is also capable of accepting the newly launched Digital Pass.

In addition to the changing technology at Cabcharge, the Company has refreshed its 13cabs and Cabcharge Payments brands which now both exhibiting new looks distinctly reflective of Cabcharge's evolution.

The re-design of the 13cabs brand was underpinned by the desire to unite and align the Company's Taxi Network (operating across Sydney, Melbourne, Brisbane, Adelaide, Newcastle, regional Victoria and the Northern Territory) and propel 13cabs into the hearts and minds of more Australians. This rebrand was part of a marketing push through the second half of FY18, with major outdoor billboard advertising sites, targeted online ads, social media, brand ambassadors, radio and cinema screens utilised in the campaign. The new orange identity saturates 13cabs platforms including the mobile App, mobile website, website, and Driver training program.

Cabcharge's bookings, tracking, payments and DriverConnect capabilities have been upgraded as well as extended to new fleets and more areas. 7,033 handheld terminals (Spotto and Giraffe) were rolled out by 30 June contributing to growth in payment turnover.

These recent strategic initiatives are not only improving Cabcharge's engagement with Passengers, Drivers, Operators, Networks and Corporate Accounts, but importantly, will support further growth in the Taxi Industry.

Operating and Financial Review (continued)

Financial results

Statutory loss after tax for the year was $2.2 million while statutory net loss from continuing operations was $1.9 million.

Unless otherwise stated full year results disclosed in this Operating and Financial Review are underlying results from continuing operations excluding significant items. For FY18 underlying NPAT from continuing operations excludes significant items as follows: $2.2 million in Taxi license compensation received from State governments, $15.7 million in Taxi license plate impairment charges, $1.4 million in transaction costs relating to the acquisition of Yellow Cabs and $0.5 million in other charges. The aggregate impact of these exclusions has a favourable impact of $15.4 million (FY17 $7.6 million) compared to statutory loss of $2.2 million giving an underlying net profit after tax of $13.2 million and $13.6 million from continued operations. For further detail please see table 2.

Table 1: Results as reported

	FY18 $m	FY17 $m	Change over pcp
Revenue	**185.5**	**151.9**	**22.1%**
Other income	2.6	1.7	
Expenses	(152.8)	(105.7)	
Impairment charges	(15.7)	(8.3)	
EBITDA	**19.6**	**39.7**	**(50.6%)**
Depreciation & Amortisation	(15.2)	(13.7)	
EBIT	**4.4**	**26.0**	**(83.1%)**
Net interest	(0.7)	(1.7)	
Profit before tax	**3.7**	**24.3**	**(84.7%)**
Income tax	(5.6)	(10.6)	
NPAT from continuing operations	**(1.9)**	**13.7**	**(113.6%)**
(Loss)/profit from discontinued operation	(0.4)	(104.3)	
NPAT	**(2.2)**	**(90.6)**	**97.5%**
EBITDA margin	10.6%	26.1%	
EBIT margin	2.4%	17.1%	
Earnings per share from continuing operations (AUD)	(1.5 cents)	11.4 cents	
Earnings per share attributable to owners of the company (AUD)	(1.8 cents)	(75.2 cents)	

Table 2: Underlying results excluding significant items

	FY18 $m	FY17 $m	Change over pcp
Revenue	**185.5**	**151.9**	**22.1%**
Other income [1]	0.4	0.0	
Expenses [2]	(151.3)	(103.6)	
Impairment Charges [3]	0.0	0.0	
EBITDA	**34.6**	**48.4**	**(28.4%)**
Depreciation & Amortisation [4]	(14.9)	(13.7)	
EBIT	**19.7**	**34.7**	**(43.2%)**
Net interest	(0.7)	(1.7)	
Profit before tax	**19.0**	**33.0**	**(42.3%)**
Income tax [5]	(5.4)	(11.7)	
NPAT from continuing operations	**13.6**	**21.3**	**(36.2%)**
EBITDA margin	18.7%	31.8%	
EBIT margin	10.6%	22.8%	
Earnings per share from continuing operations (AUD)	11.3 cents	17.7 cents	
Earnings per share attributable to owners of the company (AUD)	11.3 cents	23.9 cents	

1 Excludes $2.2 million Taxi licence compensation (Gain on sale property Newcastle $1.7 million FY17).
2 Excludes $1.4 million YCQLD acquisition related costs, $0.1 million employee separation costs ($1.6 million write-off capitalised development costs and $0.5 million employee separation costs FY17).
3 Excludes Taxi plate impairment charges $15.7 million (non-cash impairment charges $8.3 million FY17).
4 Excludes $0.3 million accelerated amortisation.
5 Excludes tax effect of above items.

Underlying profit is a non-statutory measure for the purpose of assessing the performance of the group.

Revenue and Taxi fares processed

Revenue increased 22% or $33.6 million to $185.5 million (FY17 $151.9 million).

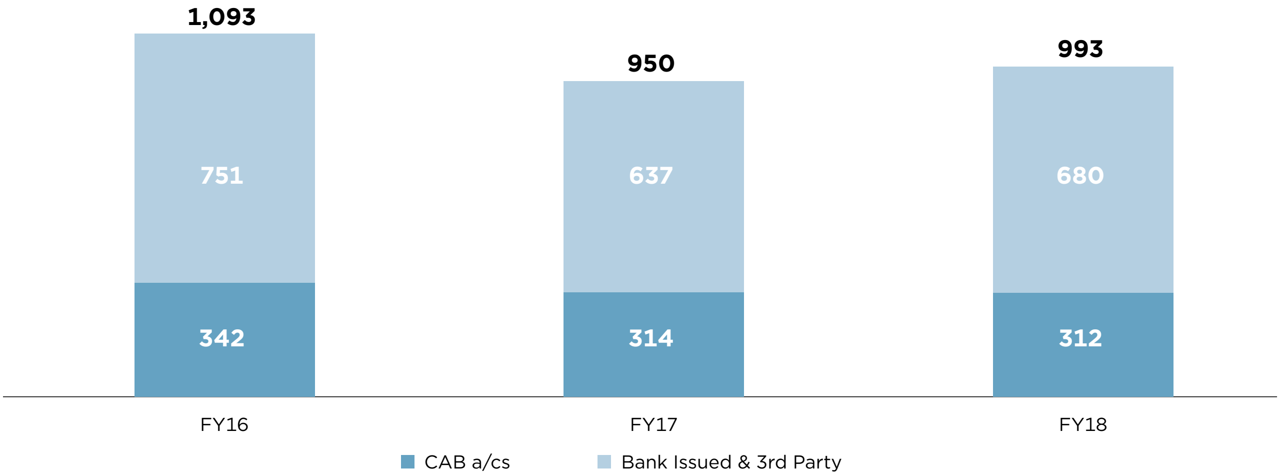
Yellow Cabs Queensland contributed $33.8 million in revenue in FY18. On a like-for-like basis revenue was 0.1% or $0.2 million below prior year.

Total Taxi service fee income was $6.4 million lower, change in service fee limits had an unfavourable impact of $8.3 million being partly offset by increased volumes in Taxi fares processed.

In FY18 total Taxi fares processed returned to growth, at $993 million reflecting a 4.5% increase vs pcp (FY17 $950 million). Cabcharge Corporate Account volumes experienced a decline of 0.4% while bank issued and 3rd party card volumes increased by 6.9% vs pcp.

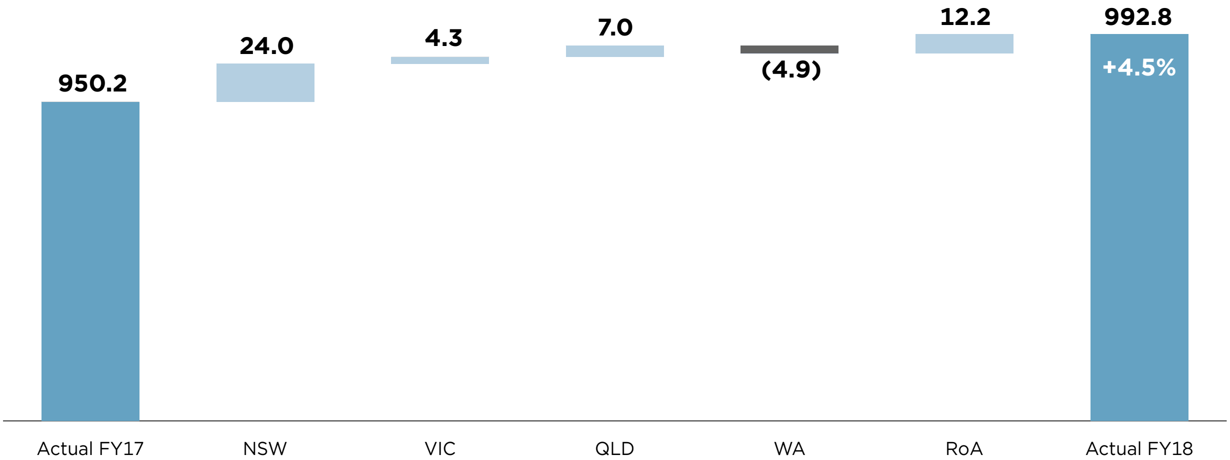
Operating and Financial Review (continued)

Total Taxi fares processed $m



Growth in Taxi fares processed was realised in all states with the exception of Western Australia. New South Wales and Queensland recorded year-on-year growth of 7.8% and 3.8% respectively.

Growth in Taxi fares processed by state $m



RoA = Rest of Australia (South Australia, Tasmania, ACT and the Northern Territory)

Of the total $993 million of Taxi fares processed $104 million was processed through the handheld distribution channel (Spotto and Giraffe). As at 30 June 2018 a total of 7,033 handheld terminals were deployed with the Spotto product available in New South Wales, Victoria, Queensland, South Australia and Western Australia.

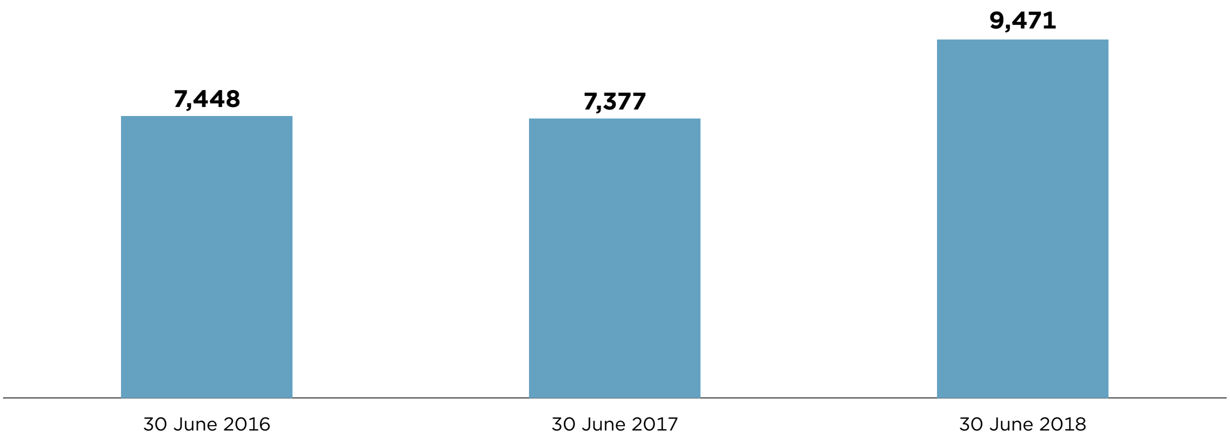
Network subscription fee income increased 5.6% or $3.2 million compared to FY17 on a like-for-like basis. Organic fleet growth is the key driver of this increase up 888 cars or 12% as at 30 June 2018. Organic fleet growth was primarily driven by a 30% increase in fleet in Melbourne as at 30 June 2018. With the inclusion of Yellow Cabs Queensland the total fleet increased 28% or 2,094 cars.

Brokered Taxi license plate income was in line with FY17 on a like-for-like basis with reduction in lease prices being offset by an increase in number of brokered plates. Including Yellow Cabs Queensland brokered license plate income increased 24% or $5.1 million.

Taxi operating income is a new revenue channel that was introduced in FY18 as a result of the Yellow Cabs Queensland acquisition and launch of fleet operations in Adelaide. In FY18 a total $7.7 million in Taxi operating income was generated and the total operating fleet as at 30 June 2018 was 190 cars, 123 cars in Brisbane and 67 cars in Adelaide.

Courier service income of $3.7 million was generated in FY18 through the Yellow Courier Network in Brisbane.

Fleet



Income from Cabcharge's portfolio of owned Taxi licence plates declined $1.6 million to $3.4 million (FY17: $5.0 million) driven by the cessation of Taxi license plates in Victoria effective October 2018 resulting in an unfavourable impact of $0.8 million and lower average market rates for plates in various States and Territories.

Other income

Statutory other income includes once-off compensation of $2.2 million received by the Victorian, Queensland and South Australian Governments in relation to our Taxi license plates.

Cash expenses

Total operating cash expenses increased 46% or $48 million to $151.3 million (FY17 $103.6 million). The addition of Yellow Cabs Queensland contributed $31.4 million in operating cash expenses. Excluding Yellow Cabs operating expenses increased 14% or $16.3 million.

Volume driven cash expenses

Compared to prior year on a like-for-like basis volume driven cash expenses increased 16% or $5.3 million. Of this increase $1.0 million is attributable to the launch of fleet operations in Adelaide, $2.7 million relates to car sales, $2.5 million relates to other Taxi related costs while processing fees payable to Taxi Networks reduced $1.4 million. Including Yellow Cabs volume driven cash expenses increased 60% or $20.5 million.

Non-volume driven cash expenses

Non-volume driven cash expenses increased 16% or $11 million on a like-for-like basis in line with the additional investment in marketing and technology resource capabilities communicated last year.

From the $11 million increase $2.9 million relates to the full year impact of additional technology labour resources that joined Cabcharge in 2H17 and $7.9 million relates to the additional investment in marketing and technology communicated last year. Other non-volume cash expenses were in line with prior year. Including Yellow Cabs non-volume driven cash expenses increased 39% or $27.2 million.

On a statutory basis total cash expenses increased 45% or $47.2 million to $152.8 million which includes $33.7 million in additional expenses relating to Yellow Cabs.

Impairment charges of $15.7 million in FY18 and $8.3 million in FY17 relate to the portfolio of our owned Taxi license plates and trademarks.

During FY18 $1.4 million in costs associated with the acquisition of Yellow Cabs Queensland were incurred. These expenses are excluded from underlying cash expenses.

Operating and Financial Review (continued)

Depreciation and amortisation

Total depreciation and amortisation charges decreased 3.2% or $0.5 million on a like-for-like basis. Including Yellow Cabs total depreciation and amortisation charges increased 11% or $1.5 million. This increase includes $0.6 million in amortisation charges of intangible assets that were recognised following the acquisition of Yellow Cabs.

Net finance costs

Net finance costs decreased $1.0 million in FY18 as a result of reduced debt balances. Bank debt has been reduced to zero following the divestment of our associate CityFleet Networks Ltd (also referred to as **CFN**).

Income tax expense

The income tax effective rate on pre-tax statutory profit was 150% (FY17 44%) and is affected by the non-tax deductibility of impairment charges in FY18 and FY17.

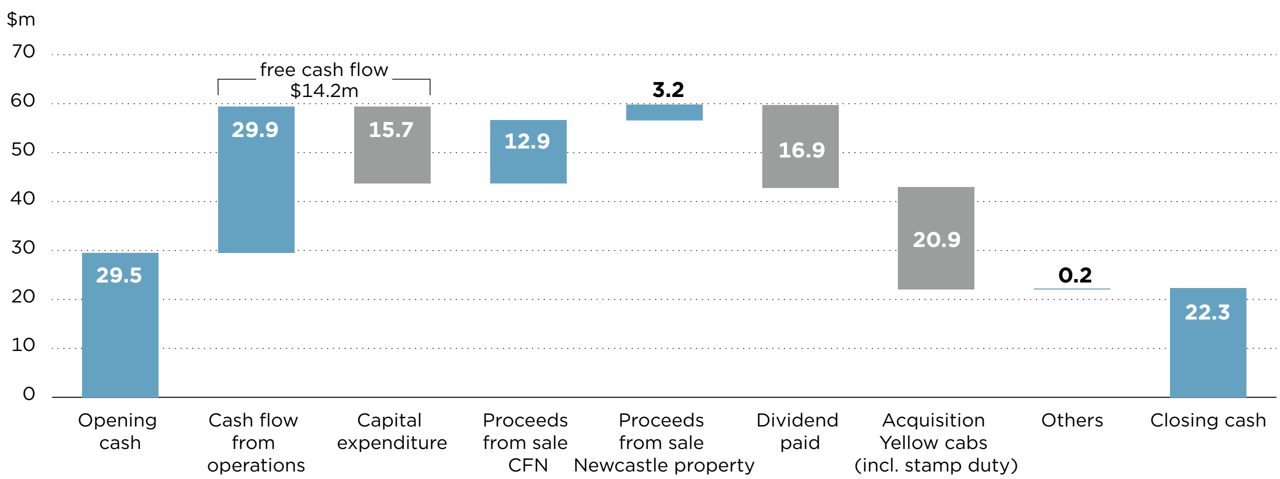
Discontinued operations

The loss of discontinued operations of $0.4 million in FY18 relates to a foreign exchange loss on the sale of our investment in associate CityFleet Networks Ltd in the UK.

Profit after tax from continuing operations

Underlying net profit after tax was $13.6 million (FY17 $21.3 million) with the introduction of service fee caps and increased investment in marketing and technology being the largest drivers behind the profit decline. A statutory net loss after tax of $2.2 million was recorded in FY18 (FY17 $90.6 million loss).

Cashflow



Cabcharge continued to generate strong cash flows from operations ending at $29.9 million representing a 107% conversion of cash profit (profit after tax and before depreciation, amortisation and impairment charges).

Total capital expenditure for FY18 was $15.7 million (FY17 $12 million), $0.4 million more than depreciation and amortisation expense combined for FY18. The increase in capital expenditure is primarily due to the launch of fleet operations Adelaide ($1.9 million), handheld terminals not yet deployed ($0.8 million) and increased software development.

The proceeds received in FY18 from the sale of CityFleet Networks Ltd ($12.9 million) and a property in Newcastle ($3.2 million) largely funded the acquisition of Yellow Cabs Queensland ($20.9 million).

Final FY17 dividend and FY18 interim dividends paid during the year totalled $16.9 million (FY17 $24.2 million).

Dividend

Cabcharge paid a fully franked interim dividend of 4.0 cents per share and the board has declared a fully franked final dividend of 4.0 cents per share scheduled for payment on 31 October 2018.

Balance sheet	June 2018 $m	June 2017 $m
Cash and cash equivalents	22.3	29.5
Other current assets	76.1	83.2
Total current assets	**98.4**	**112.7**
Property, plant and equipment	38.3	35.4
Taxi plate licences	17.6	33.2
Other non-current assets	50.5	35.3
Total non-current assets	**106.3**	**103.9**
Total assets	**204.7**	**216.6**
Loans and borrowings	3.1	3.7
Other liabilities	39.4	31.8
Total liabilities	**42.5**	**35.4**
Total net assets	**162.2**	**181.2**
Net cash	19.2	25.8

Cabcharge has reduced its finance facility limits from $100 million to $70 million and entered into agreements with its lending banks to extend the current facility a further two years to 1 July 2021.

Total proceeds of $16.1 million relating to the sale of CityFleet Networks Ltd and a property in Newcastle were received in FY18 primarily explaining the decrease in trade and other receivables.

Goodwill increased $9.8 million following the acquisition of the business and assets of Yellow Cabs Queensland as at 31 July 2017.

Investments

In June, Cabcharge announced to the market its intention to acquire Mobile Technologies International Pty Ltd (**MTI**) for $6.6 million, subject to ACCC approval. MTI provides technology for the processing, management and distribution of bookings (dispatch system) to the Taxi Industry. The acquisition will fast track the creation of innovative dispatch and payment tools to deliver seamless outcomes for the personal transport industry. The acquisition provides an opportunity to expand Cabcharge's Customer reach and increases Cabcharge's ability to compete with other fully integrated personal transport companies.

Outlook

Increasing population, urbanisation, vehicle costs and consumer preferences will continue to support growth in the personal transport industry. In line with our vision to become the first choice of Passengers, Drivers, Taxi Operators and Employees Cabcharge is committed to maintaining its current strategic investments in technology and marketing.

We will continue to deliver better travel experiences and remain focused in growing our key revenue drivers being fleet size and Taxi fares processed. In FY19 our core focus will be on the national rebrand of our 13cabs Networks, completing the integration of Yellow Cabs Queensland and accelerating the development of integrated dispatch solutions.

In FY19 we will continue to explore organic as well as inorganic growth opportunities leveraging our strong balance sheet and cash flow.

Operating and Financial Review (continued)

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's operations are subject to State and Territory regulation and control. New State Passenger levies were introduced in FY18 and FY19 across various states. Queensland implemented a 5% limit on payment service fees in October 2017 with Tasmania now being the only state without service fee restrictions. 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 possible that Taxi Regulators may 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.	Continue to work with Taxi Regulators on issues affecting the Taxi Industry. Building applications to collect levies in NSW, NT, and VIC. Operators can reconcile their levies with Drivers and the Network through our Operator Portal and CabAccess Administration tool which we now offer nationally as well as providing additional levy report improvements. 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.

Strategic risk	Nature of risk	Actions/Plans to mitigate
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. Strategic acquisition-led growth to bolster existing technology and resources (MTI acquisition announced June 2018). Continue investment in technology and marketing as reflected by: • World first launch of Digital Pass, replacing physical eTICKET or FASTCARD • Growth in handheld terminals Spotto for Taxi Drivers and Giraffe for Hire Cars • Upgrades and added features to the 13cabs and Silver Service Taxi apps • Upgrades to interface of Cabcharge payments terminal, FAREWAY*plus* • Strengthened national 13cabs brand • Strengthened national Cabcharge Payments brand

Corporate Governance Statement

The Board of Cabcharge Australia Limited (the **Company** or **Cabcharge**) is responsible for the corporate governance of the Company and its controlled entities (**Group**). The Board believes that robust corporate governance practices, internal control systems and an effective risk management framework, will contribute to the responsible and sustainable creation of long-term value for the Company's shareholders.

Throughout the year ended 30 June 2018 (**FY18**), the Company's corporate governance arrangements were consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition) (**ASX Principles**). The Board will continue to review developments in corporate governance as part of its periodic review of governance at the Company.

This Corporate Governance Statement is current as at 25 September 2018 and has been approved by the Board.

Corporate governance highlights

The Company continued to focus on corporate governance during FY18, reflecting the Board's commitment to fostering a strong governance culture. Key highlights included:

Corporate culture

The Board adopted a new Code of Conduct in February 2018 which describes the Company's core values and emphasises the importance of its representatives demonstrating behaviour which is consistent with those core values.

Policy refresh

The Company updated its Shareholder Communications Policy to ensure that Cabcharge continues to align its communications with best practice standards of corporate governance.

Board renewal process

As communicated in last year's Annual Report, the Board has completed its renewal process in FY18 with the appointment of two Non-executive Directors in August 2017, Louise McCann and Clifford Rosenberg, and the retirement of its longest serving Non-executive Director, Donnald McMichael, in June 2018.

Board skills matrix

The Board, supported by the Remuneration and Nominations Committee (RANC), reviewed and updated the Board skills and attributes matrix during FY18 to inform Board succession planning and for inclusion in the Annual Report.

1. Cabcharge's values and culture

Cabcharge has four core values, as outlined below and contained in Cabcharge's new Code of Conduct (adopted in February 2018). These values underpin all activities of the Group and are embedded in its leadership. All Group representatives are expected to behave and conduct business in the workplace in a manner which is consistent with these core values.

The Board sets and monitors Cabcharge's culture and adherence to its core values through "tone from the top". Together with Management, it monitors the Group's culture and considers whether it appropriately reflects the Company's values and identity. The Board is committed to instilling a culture where its people are expected to behave in a lawful, ethical and socially responsible manner.

Further details on the standards of ethics and conduct that its representatives are expected to follow in all business and workplace activities can be found in Cabcharge's Code of Conduct, available at www.cabcharge.com.au/about-us/corporate-governance.

2. The Board and its role

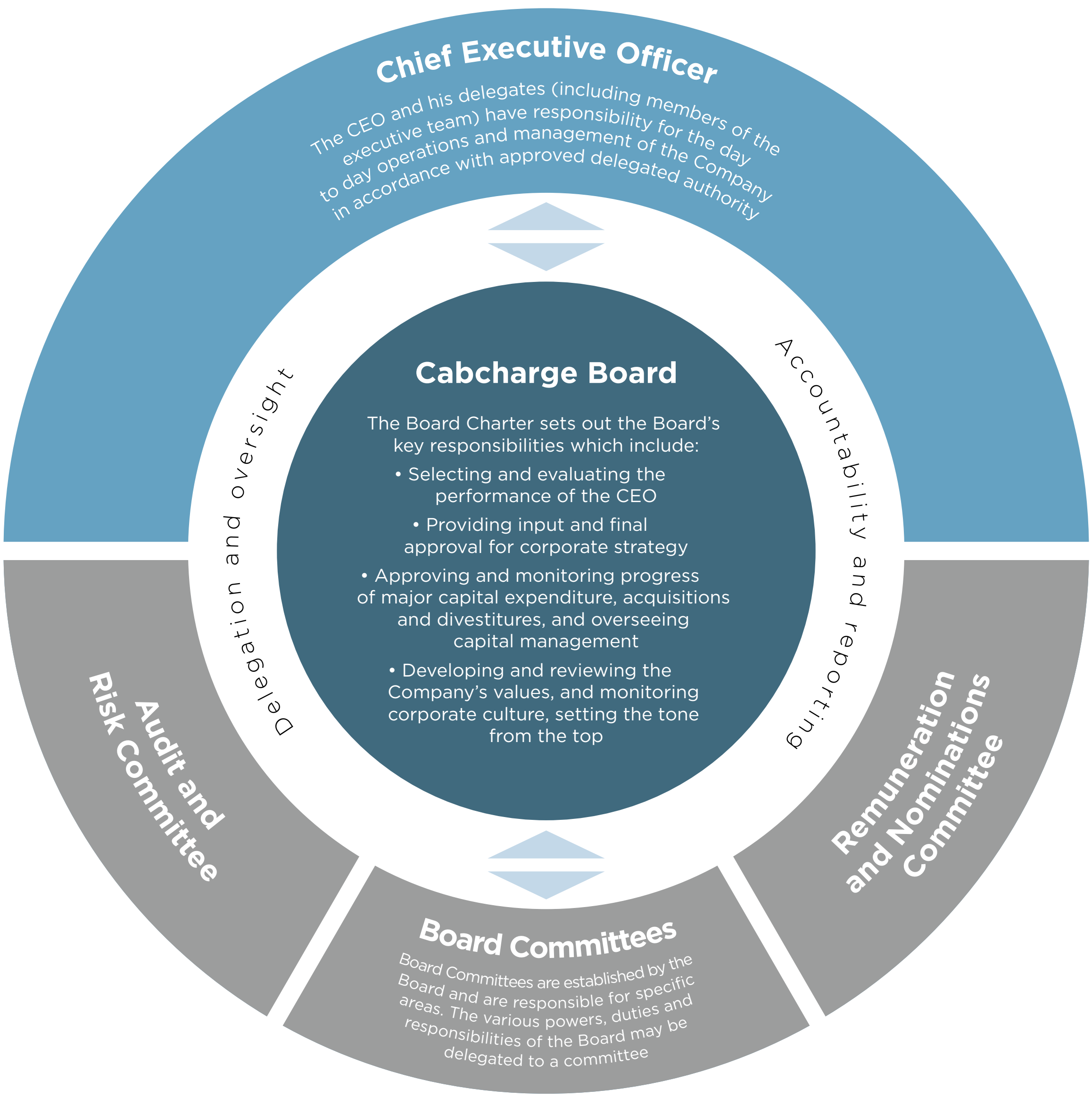
2.1 Responsibilities of the Board

The Board has overall accountability for the proper management of the Group. The Board reviews and approves the strategic direction of the Company and oversees Management's implementation of the Company's business model and achievement of the Company's strategy.

The Board delegates responsibility to Management, through the CEO and Managing Director, for overseeing the day-to-day operation of the Company. This includes oversight of the implementation of the Company's strategy and ensuring that the Company continues to operate within the risk parameters set by the Board.

The Board also delegates a number of responsibilities to its Committees.

The respective roles and responsibilities of the Board, its Committees and the CEO and Managing Director are set out in the diagram below.



The responsibilities of the Board and its Committees are set out in their Charters, which are available on the Company's website at www.cabcharge.com.au/about-us/corporate-governance. The Board reviews the Charters at least annually, and more frequently if required. A review of the Board and Committee Charters was conducted in FY18 and the Board considers that they reflect best practice.

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 matters to do with the proper functioning of the Board.

2.2 Composition of the Board

There have been a number of changes to the Board's composition in FY18 as it completed its renewal process in line with its broader succession planning. Louise McCann and Clifford Rosenberg were appointed in August 2017 as part of this renewal process and their appointment has broadened the skills and experience represented amongst the Directors, particularly in relation to leading marketing and technology-driven businesses.

Donnald McMichael, the Board's longest serving member, retired on 30 June 2018. Mr McMichael's commercial knowledge and experience within the personal transport industry has been invaluable and the Board is grateful for his contribution and support through the renewal process.

The Board believes that its current composition represents a depth and breadth of skills and experience that will allow it to continue operating effectively. The skills and attributes of the Board are discussed further in section 2.4.

The Directors in office as at the date of this Corporate Governance Statement are set out in the table below.

Director	Independent	Date of appointment	Term in office
Paul Oneile Chairman	✓	27 February 2017	1.5 years
Louise McCann Non-executive Director	✓	29 August 2017	1 year
Richard Millen Non-executive Director	✓	4 June 2014	4 years
Clifford Rosenberg Non-executive Director	✓	29 August 2017	1 year
Andrew Skelton CEO and Managing Director	–	10 December 2014	3.5 years
Trudy Vonhoff Non-executive Director	✓	21 August 2015	3 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 FY18 and the attendances of individual Directors and Committee members at those meetings is set out on page 44 of the Annual Report.

2.3 Director independence and tenure

The Board has adopted the factors set out in box 2.3 of the ASX Principles relevant for assessing the independence of a Director. Those factors are set out in the Board's Charter.

The Board has recently assessed the independence of each Non-executive Director and considers that, as at the date of this Corporate Governance Statement, all of its Non-executive Directors, including the Chairman are independent.

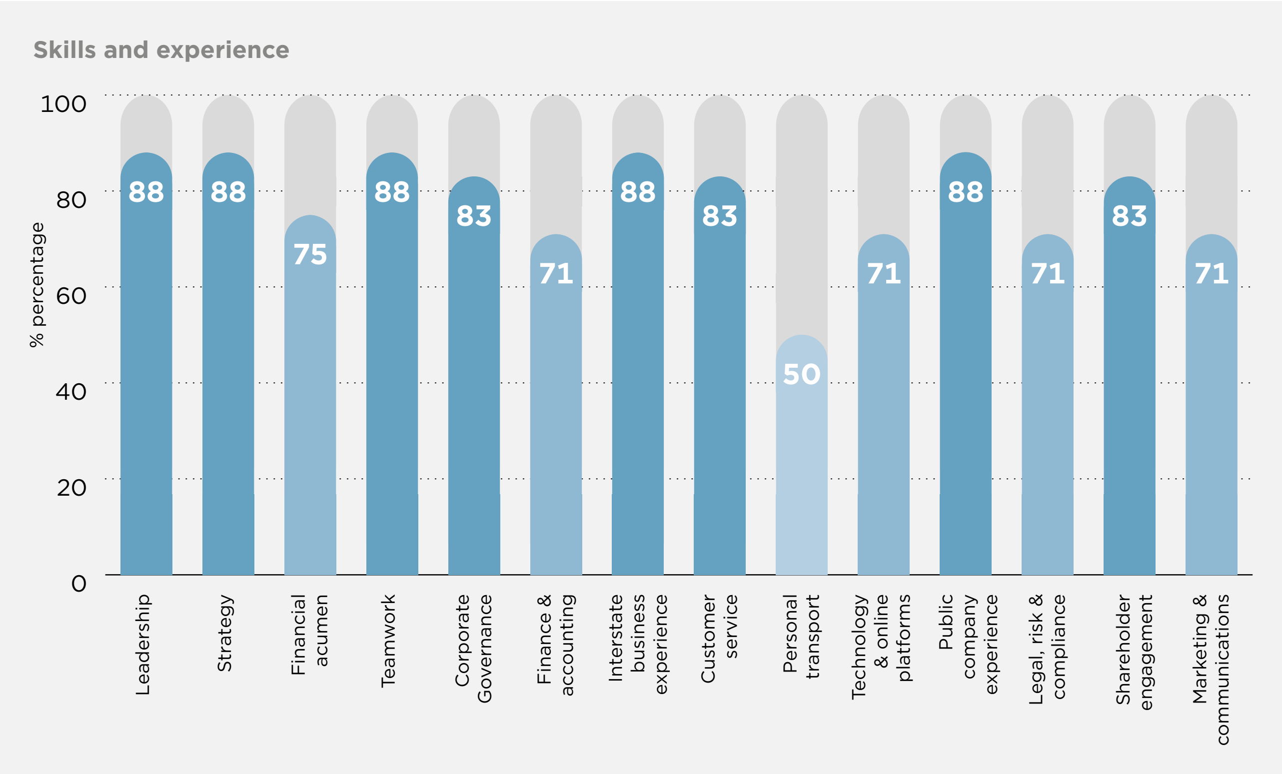
Corporate Governance Statement (continued)

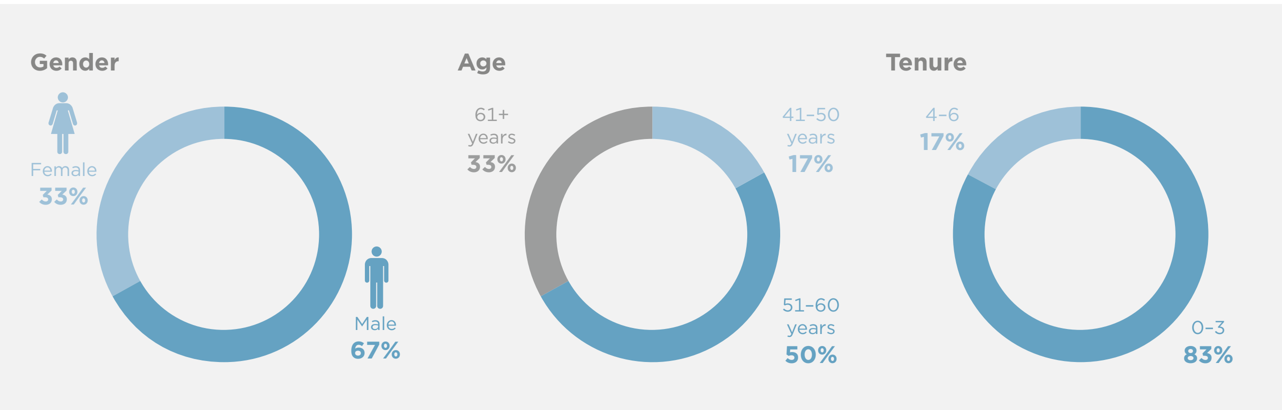
2.4 Skills and attributes of Directors

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 assessing and selecting new Directors and also when considering professional development opportunities for current Directors.

The diagram below demonstrates the relevant skills, experience and attributes that the Board considers are possessed by current Directors.





The Board is satisfied that the current Directors collectively possess the necessary mix of 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.

The Board recognises that there remains an opportunity to enhance the diversity (including gender) of the Board in future years and considers diversity as a factor in assessing the relevant mix of skills and attributes on the Board. Further details about the Company's diversity policy is set out in section 5.1 of this Corporate Governance Statement.

2.5 Succession planning and Director appointments

The Board, with the assistance of the RANC, is responsible for succession planning. The RANC assists the Board with identifying potential Director candidates, having regard to the overarching principle that there should be a broad range of skills and attributes represented on the Board, by reference to the Board's skills and attributes matrix.

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 all information in the Company's possession about a Director candidate that is relevant to that Director's election and subsequent re-elections.

2.6 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 total annual base fee) within three years from the date of their appointment.

On appointment, Directors receive an induction package which includes 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 Management and be formally briefed on the Group's corporate strategy.

Directors are also encouraged to undertake programs of continuing professional development to ensure that they remain up to date on developments relating to law and governance practices, as well as key changes within the personal transport industry generally.

2.7 Access to information, independent advice and indemnification

Upon appointment, each Director enters into a Deed of Access, Indemnity and Insurance with the Company. The deed provides Directors with access to certain Company 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.

3. Board Committees

3.1 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 its Code of Conduct; 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 FY18, all of whom were independent Non-executive Directors:

- Richard Millen (Chairman)
- Louise McCann (from 1 October 2017)
- Donnald McMichael (until 30 June 2018)
- Clifford Rosenberg (from 1 October 2017)
- Trudy Vonhoff

Selection and appointment of the external auditor

The ARC 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.

3.2 Remuneration and Nominations Committee

Remuneration and Nominations 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 the CEO and Managing Director;
- 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;
- The arrangements for the CEO and Managing Director including contract terms, annual remuneration and participation in the Company's short and long term incentive plans; and
- In consultation with the CEO and Managing Director, 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 FY18, all of whom were independent Non-executive Directors:

- Trudy Vonhoff (Chairman)
- Louise McCann (from 1 October 2017)
- Donnald McMichael (until 30 June 2018)
- Richard Millen
- Clifford Rosenberg (from 1 October 2017)

Remuneration of key management personnel

The RANC is responsible for overseeing and making recommendations to the Board in relation to remuneration of the CEO and Managing Director and the Non-executive Directors. The CEO and Managing Director, in consultation with the RANC makes recommendations to the Board in relation to the remuneration and performance of his direct reports. The Company's remuneration policies appropriately reflect the different roles and responsibilities of Non-executive Directors compared with the CEO and Managing Director and other executives.

The remuneration entitlements of each executive key management personnel (**KMP**) (including superannuation entitlements) are contained in written employment agreements between the executive and the Company. Each executive KMP's employment agreement includes a description of their position and responsibilities and their fixed remuneration which is benchmarked by independent remuneration consultants.

The Company's policies and practices in relation to the remuneration of KMP are set out in the Remuneration Report on pages 46 to 65 of the Annual Report.

4. Performance evaluation

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

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.

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

FY18 performance evaluations

In accordance with the Performance Evaluation Policy, the Company undertook performance evaluations of the Board, its Committees, individual Directors and executive KMP for FY18.

The results of the performance reviews of executive KMP are reflected in their remuneration outcomes set out in the Remuneration Report on pages 46 to 65 of the Annual Report.

5. Corporate Governance and Group Policies

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

5.1 Diversity

Policy and programs

Cabcharge values diversity and inclusiveness in the workforce and recognises that diversity drives the ability of the Company to attract, retain, motivate and develop the best talent and deliver the highest quality services to its Customers. The Company recognises that its greatest assets are its people, and 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's vision for diversity relates to a broad range of areas. Cabcharge's diversity objectives include cultural background, religion, sexual orientation, gender, age, disability, ethnicity and includes differences that have arisen as a result of varied experiences such as education, problem solving skills, functional expertise and interpersonal skills.

The Company actively ensures that its diversity objectives and the Diversity Policy are followed by adopting initiatives, programs and policies including 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 responsibility, 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 2012*, 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 www.cabcharge.com.au/about-us/who-we-are.

Gender diversity measurable objectives

The Board has set measurable objectives for achieving gender diversity. These objectives and the Company's progress towards achieving them for FY18 are set out below.

Objective	Target	Outcome
Diversity awareness		
Cabcharge aims to create an environment in which individual differences are valued and all staff have the opportunity to realise their potential and contribute to the success of Cabcharge. Diversity objectives are communicated to business units and a diversity forum comprising Management and team representatives has been set up.	Staff members are provided with the Diversity Policy on induction and through further training to line managers on diversity and conscious versus unconscious bias.	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 analysis performed to understand 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 (continued)

5.2 Securities dealing

The Company has adopted a 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 securities 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).

5.3 Market disclosure and investor engagement

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

The Company has adopted a 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;
- Details 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 and Managing Director 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 relevant changes to the continuous disclosure regime established by the ASX Listing Rules or the *Corporations Act 2001*.

5.4 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, 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

Some of the initiatives the Company was involved in throughout FY18 are set out in Cabcharge in the community section on pages 12 to 13 of the Annual Report.

5.5 Shareholder engagement

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

A summary of the Company's Shareholder Communications Policy and communications practices are set out below.

Company policy	Communication 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 the market so that the market for shares in the Company can function in an informed manner • Develop a strong culture of disclosure and 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 important governance documents • The Company conducts periodic reviews of its website with an aim to improve the effectiveness of its electronic communications with shareholders and stakeholders generally • The Board encourages shareholders to receive and send electronic communications via its share registrar, Link Market Services • All shareholders have the right to attend the Company's Annual General Meeting • Shareholders are provided with a Notice of Meeting and an explanatory statement of the resolutions proposed. A copy of the Notice of Meeting is lodged with the ASX and is included in the market announcements feed on the Company's website • The Company ensures that its external auditor attends its Annual General Meeting, and allows shareholders to submit questions directly to the auditor prior to or at the Annual General Meeting

Corporate Governance Statement (continued)

6. Risk framework

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 ARC 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 Managing Director and 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 Cabcharge's risk management framework at least annually to ensure that it continues to be sound and effectively identifies all areas of potential risk. The ARC provides reports to the Board on the findings of its review.

During FY18 the Company engaged independent consultants to undertake a review of the Company's risk management framework. Based on the results of the review by the independent consultants, the Board is satisfied that the risk management framework is sound and continues to operate effectively.

Consistent with the ASX Principles, before the Board approves the Group's financial statements, it receives from its CEO and Managing Director 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 for FY18.

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 Management.

As set out of page 26 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

The Directors present their report (including the Remuneration Report), together with the financial statements of the consolidated entity being Cabcharge Australia Limited (**Cabcharge** or the **Company**) and the entities it controls (the **Group**) for the financial year ended 30 June 2018.

Directors

The Directors of the Company at any time during or since the end of the financial year up to the date of this report are:

- Paul Oneile (Chairman)
- Louise McCann (appointed 29 August 2017)
- Donnald McMichael (retired 30 June 2018)
- Richard Millen
- Clifford Rosenberg (appointed 29 August 2017)
- Andrew Skelton (CEO and Managing Director)
- Trudy Vonhoff

The qualifications, experience and special responsibilities of current Directors of the Company are set out in the Board of Directors section on pages 14 and 15. Particulars relating to Donnald McMichael, who retired on 30 June 2018, are provided below.

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.

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.

Director	Name of listed company	Appointment date	Cessation date
Paul Oneile	Intecq Limited	21 September 2012	16 December 2016
Louise McCann	Macquarie Media Limited	10 June 2015	–
	iiNet Limited	14 April 2011	24 August 2015
Richard Millen	–	–	–
Clifford Rosenberg	IXUP Limited	29 September 2017	–
	Afterpay Touch Group Limited	30 March 2017	–
	Pureprofile Ltd	12 June 2015	–
	Nearmap Ltd	3 July 2012	–
Andrew Skelton	–	–	–
Trudy Vonhoff	Ruralco Holdings Ltd	1 September 2014	–

Directors' Report (continued)

Company Secretary

Adrian Lucchese

General Counsel and Company Secretary

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

Dividends

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 FY17	10.0	12,043	31 October 2017
Interim FY18	4.0	4,817	30 April 2018
Final FY18	4.0	4,817	31 October 2018

The final dividend has a record date of 28 September 2018.

Principal activities

The principal activities of the Group are included in the Operating and Financial Review (**OFR**) set out on pages 16 to 27. 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 16 to 27. 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 4.0 cents per share (fully franked) payable on 31 October 2018. The record date to determine entitlement to the dividend is 28 September 2018.
- On 20 June 2018 the Company announced that it had entered into an agreement to acquire all of the issued shares in Mobile Technologies International Pty Ltd for a purchase price of $6.6 million. The acquisition is subject to a number of conditions precedent including a confirmation by the Australian Competition and Consumer Commission that it does not intend to oppose the acquisition. As at the date of this report the conditions precedent have not been satisfied and the acquisition has not completed.

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 25.

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' interests and benefits

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

Director	Interest in shares
Paul Oneile	56,968
Louise McCann	23,800
Richard Millen	60,000
Clifford Rosenberg	111,307
Andrew Skelton	6,861
Trudy Vonhoff	22,000

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

Grant period	Performance Rights
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
FY18 grant (for period ending 30 June 2021)	222,222
Total	**468,493**

Remuneration Report

The Remuneration Report is set out on pages 46 to 65 and forms part of this Directors' Report, has been audited as required by section 308(3C) of the *Corporation Act 2001*.

Directors' Report (continued)

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.

	Board		Audit and Risk [2]		Remuneration and Nominations [2]	
Director [1]	**Held [3]**	**Attended**	**Held [3]**	**Attended**	**Held [3]**	**Attended**
Paul Oneile	12	12	–	–	–	–
Louise McCann	9	9	3	3	3	3
Donnald McMichael	12	11	5	4	6	5
Richard Millen	12	11	5	5	6	5
Clifford Rosenberg	9	8	3	3	3	3
Andrew Skelton	12	12	–	–	–	–
Trudy Vonhoff	12	12	5	5	6	6

1 "Director" in the table means a Director who was a director of the Company at any time during the financial year.
2 All Directors are invited to and generally attend, Board Committee meetings. The "Attended" columns in the table reflect attendance at meetings by Committee members.
3 The "Held" columns in the table reflect the number of meetings held during the period in which the Director held office.

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 1,295,657 performance rights over unissued shares which have been granted to the CEO and Managing Director and other senior executives under the Company's LTI plan. Further information on the LTI plan is included in the Remuneration Report on pages 56 to 58.

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 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 26 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 policies and 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 66.

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 2018

Andrew Skelton
CEO and Managing Director

28 August 2018

Remuneration Report

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 2018. The Report provides an overview of our remuneration structures, policies and practices. It is intended to demonstrate how our remuneration framework motivates executives by rewarding individual and corporate performance against specific targets and aligning executives' interests with long-term shareholder value.

The Remuneration and Nominations Committee assists the Board to evaluate the Company's remuneration framework so that it aligns, supports and drives achievement against our four strategic focus areas. (see page 18 of the Operating and Financial Review).

Remuneration outcomes in FY18

A number of strategic initiatives were implemented during FY18 and key metrics in the business have returned to growth during that period. For example, total Taxi fares processed reversed previous declines and grew by 4.5% and organic fleet growth of 12% was achieved. Coupled with the acquisition of Yellow Cabs Queensland these initiatives contributed to a 22.1% increase in revenue. In addition, the Company's investments in technology and marketing improved our products and service offerings whilst strengthening our brands. These results are reflected in the remuneration outcomes for executives.

Committee activities in FY18

Activities undertaken by the Remuneration and Nominations Committee during the year include:

- Recommending Louise McCann and Clifford Rosenberg to the Board for appointment as Directors to supplement Board skills – approved at the 2017 Annual General Meeting;
- Overseeing the recruitment of, and remuneration package for, Ton van Hoof as the Company's new Chief Financial Officer, including his participation in the Company's STI and LTI programs from 1 July 2018;
- Undertaking bi-annual fixed annual remuneration (**FAR**) benchmarking for executive KMP resulting in increases in executive FAR effective 1 July 2018 to ensure that executives are appropriately rewarded for performance, competence and experience;
- Setting performance measures for each executives' short term incentives (**STI**) that are linked to the achievement of financial targets and individual goals aligned with the Company's strategic plan;
- Amending the Company's STI plan rules to provide an overarching discretion to the Board to reduce STI outcomes;
- Reviewing and updating executives' long term incentive (**LTI**) performance measures to place a greater emphasis on total shareholder return and the creation of long-term shareholder value – approved at the 2017 Annual General Meeting; and
- Reviewing and recommending to the Board that there be no increase to the Non-executive Director fees.

Outlook for FY19

For FY19, the Committee will remain focused on ensuring that the Company maintains a robust remuneration framework that is responsive to change and aligned with the Company's strategic focus areas and values. The Committee notes that the FY15 LTI grants are due to vest and are likely to lapse, as they will not meet the relevant performance hurdles. Accordingly, the Committee will continue with its review of the LTI framework and expects to conclude this work in FY20.

On behalf of the Board, thank you for your ongoing support and we look forward to receiving your feedback on this report.

Yours faithfully

Trudy Vonhoff
Chairman of the Remuneration and Nominations Committee

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This Remuneration Report for the year ended 30 June 2018 outlines the remuneration arrangements of Cabcharge Australia Limited (**Cabcharge** or **Company**) and is prepared in accordance with the requirements of the *Corporations Act 2001* and the *Corporations Regulations 2001*. The information in sections 1 to 7 has been audited as required by section 308(3C) of the Act.

Remuneration Report (continued)

1. Overview

The Board of Directors present the Company's Remuneration Report for the financial year ended 30 June 2018 (**FY18**). This report details the Company's remuneration framework and its alignment with the Company's performance and strategy. It also sets out the remuneration arrangements and outcomes for the Company's key management personnel (**KMP**) who have authority and responsibility for planning, directing and controlling the activities of the Company.

Who is covered by this report

The KMP covered by this report are listed in table 1 below.

Table 1: KMP included in this report

KMP	Role	Change in FY18
Non-executive Director		
Paul Oneile	Independent Chairman	–
Louise McCann	Independent Director	Appointed 29 August 2017
Donnald McMichael	Independent Director	Retired 30 June 2018
Richard Millen	Independent Director	–
Clifford Rosenberg	Independent Director	Appointed 29 August 2017
Trudy Vonhoff	Independent Director	–
Executive		
Andrew Skelton	CEO and Managing Director	–
Adrian Lucchese	General Counsel and Company Secretary	–
Deon Ludick	Chief Technology Officer	–
Fred Lukabyo	Chief Operating Officer	–
Stuart Overell	Chief Operating Officer – Taxi Networks	–
Ton van Hoof	Chief Financial Officer	Appointed 15 May 2018
Former executive		
Sheila Lines	Chief Financial Officer	Resigned 31 December 2017

Realised remuneration

The details of statutory executive KMP remuneration prepared in accordance with the Australian Accounting Standards can be found in table 6 on page 61. Details of statutory Non-executive Director fee arrangements can be found in table 9 on page 63.

The table below provides shareholders with an understanding of remuneration earned by executive KMP in FY18. The amounts disclosed in the table below are intended to provide an explanation of the pay for performance relationship in our remuneration framework and are in addition to the information provided by the statutory executive remuneration table prepared in accordance with the Australian Accounting Standards.

Table 2: Remuneration earned in FY18 (non-statutory) (unaudited)

	Fixed remuneration [1] $	STI earned for FY18 & deferred STI $	LTI vested in FY18 [2] $	Total $
Executive				
Andrew Skelton	700,000	397,585 [3]	–	1,097,585
Adrian Lucchese	390,000	135,000	–	525,000
Deon Ludick	383,250	135,000	–	518,250
Fred Lukabyo	440,000	131,325	–	571,325
Stuart Overell	415,000	113,775	–	528,775
Ton van Hoof [4]	111,250	–	–	111,250
Former executive				
Sheila Lines [5]	240,000	–	–	240,000

1 Fixed remuneration means contracted remuneration amount for base salary and superannuation.
2 The first LTI rights awarded in FY15 are due to vest in September 2018. Further information on vesting is set out in the LTI section of this report.
3 This amount includes both STI earned in respect of FY18 and STI earned in FY17 ($42,785) and deferred and paid for FY18. For FY18, 75% will be paid in September 2018 and 25% will be deferred and paid in cash in two equal instalments over the next 24 months after payment of the first 75%.
4 Mr van Hoof was appointed as CFO on 15 May 2018. He did not participate in the FY18 STI but was paid a discretionary bonus of $67,500 in recognition for his contribution towards the underlying financial performance of the Company whilst acting as CFO during the months prior to his formal appointment.
5 Ms Lines resigned on 31 December 2017 following completion of her notice period. She did not participate in the FY18 STI.

Remuneration strategy

The Board is committed to ensuring that Cabcharge's remuneration framework remains responsive, robust and reflective of current market practice. The Company's remuneration strategy continues to align with and support the Company's business strategy, while motivating and rewarding its 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.

2. Remuneration governance

The Board consults with the Remuneration and Nominations Committee (**Committee**), Management and where necessary, external advisors, when making remuneration decisions. The diagram below illustrates the remuneration decision-making process.

Board

- Ensures remuneration is fair and competitive, and supports the Company's strategic and operational goals Approves remuneration policies, structures and arrangements after consideration of recommendations from the Committee
- Approves performance measures and outcomes after consideration of recommendations from the Committee

Remuneration and Nominations Committee

Comprises at least three members appointed by the Board

- Must have an independent chair and a majority of independent Directors
- Makes recommendations to the Board regarding remuneration policies, structures and arrangements
- Makes recommendations to the Board regarding performance measures and outcomes
- The Committee met six times in FY18

For more detail on Cabcharge charters and policies, see:

- https://www.cabcharge.com.au/about-us/corporate-governance

Management

- CEO proposes individual remuneration arrangements and performance outcomes for direct reports to the Committee
- CEO not present when his remuneration is decided

External remuneration consultants and advisors

- Engaged and appointed by the Board or the Committee as required
- 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 2001*

Use of remuneration consultants and advisors

The Company appointed Korn Ferry and Hay Group and Godfrey Remuneration Group during FY18 to undertake a biannual benchmarking review of the fixed annual remuneration bands for executive KMP. The Company also retained PwC to provide advice in relation to its LTI plan. No remuneration recommendations by a remuneration consultant as defined under the Corporations Act were made during FY18.

3. Executive KMP 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 executive KMP and Non-executive Director remuneration is balanced and market competitive in order to recruit, motivate, reward and retain skilled senior executives and Directors
- Align the interests of executive KMP 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.

Business objectives

- Enhance and expand operational platform for the creation of a sustainable business model for future growth
- Focus on creation of shareholder value

Remuneration strategy objectives

- Attract and retain key talent through balanced remuneration, market competitive pay and performance focused STI and LTI
- Focus the executive team on the key strategic business imperatives
- Align interests of executive KMP and shareholders
- Invite executive KMP to participate in the STI and LTI plans

Remuneration structure

Fixed annual remuneration (FAR)
Set with reference to job size and organisations of similar complexity and industry dynamics

Short-term incentive (STI)
Cash incentive comprising a group financial performance target (60%) and individual targets focused on strategic priorities (40%)

Long-term incentive (LTI)
Equity incentive comprising of performance rights vesting over four years, subject to achievement of an absolute total shareholder return performance target

Executive arrangements
Executive services agreement formalise incentive arrangements, and include termination and post-termination provisions

Remuneration Report (continued)

Remuneration structure

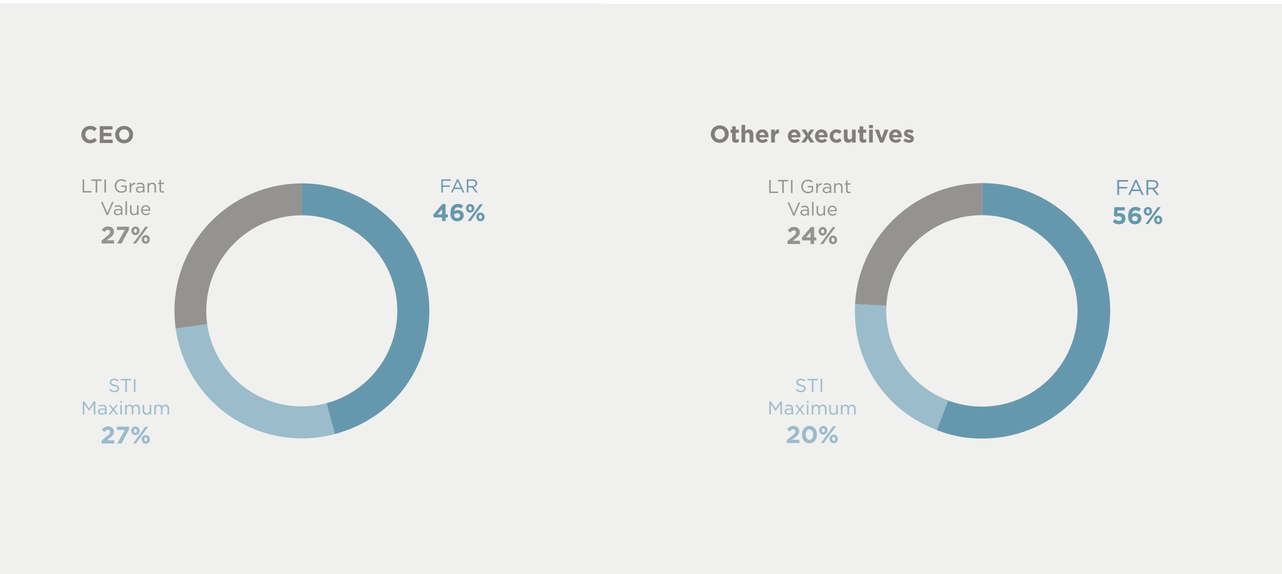
The Company aims to reward its executives with a level and mix of remuneration appropriate to an individual's experience, position, responsibilities and performance.

The Board and the Committee regularly review the remuneration level and structure for the Company's executives and make adjustments where appropriate to support the strategic initiatives of the business whilst ensuring that it remains market competitive for recruiting and retaining skilled individuals.

In FY18, the executive KMP remuneration structure consisted of FAR and performance based "at risk" short term and long term incentives awarded pursuant to STI and LTI plan rules. Adjustments or changes to our remuneration arrangements made in FY18 are detailed under each remuneration element below.

Mr van Hoof was appointed as Chief Financial Officer on 15 May 2018 and therefore did not participate in the Company's FY18 executive STI and LTI programs.

The following graphs summarise the CEO and other executives' remuneration mix for FY18. In line with the Company's stated commitment to align executive KMP remuneration with market practice and the Company's strategic direction, this year there has been no change in the "at risk" remuneration for the CEO (FY17 54%; FY18 54%). There was an increase in the "at risk" remuneration of other executive KMP (FY17 42%; FY18 44%). The percentages in the diagram below represents the maximum "at risk" opportunity and not outcomes for FY18.



Detail of remuneration elements and incentive plans

FAR

Details of executive FAR are disclosed below.

What is FAR?	FAR is comprised of salary and other benefits provided to an executive on an ongoing basis, such as superannuation contributions.
How is FAR determined?	FAR is reviewed annually and our standard executive services agreements do not include any guaranteed FAR increases. When reviewing FAR for executives a number of factors are considered, including the individual's skills and experience relevant to their role, and internal and external factors. The Company's policy is to position FAR competitively with reference to companies of a similar complexity and industry dynamic to that of Cabcharge.
Were any changes made in FY18?	The Board reviewed the FAR for each executive for FY18. Changes to FAR are typically implemented and take effect on 1 July of each year. Biannual benchmarking of executive FAR bands was completed by two independent consultants.

STI

Details of the STI are disclosed below.

What is the STI plan?	The STI plan provides participating executives with an opportunity to be rewarded for their individual achievements, as well as the achievements of their business unit and the Company. This further aligns their interests with the strategic priorities of the Company. All executive KMP are eligible and participated (except for Mr van Hoof and Ms Lines) in the STI plan in FY18.
What is the format for STI awards?	The STI award is delivered annually in the form of a cash payment that is subject to the satisfaction of performance measures that are set at the beginning of each financial year. For the CEO, 25% of any STI award is deferred and paid in two equal instalments over the next 24 months.
What is the performance period?	The performance period for the FY18 STI award is from 1 July 2017 to 30 June 2018.
What is the maximum opportunity?	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 36.6% of FAR.

Remuneration Report (continued)

STI (continued)

<table>
<tr><td>What are the STI performance measures?</td><td>
The FY18 STI award vests subject to the achievement of a Group-wide financial performance measure and individual performance measures. The financial performance measure continues to apply to all executive KMP to ensure their common focus on the achievement of the Company's financial objectives. The individual performance measures for each executive are directly linked to the strategic imperatives of the Company and the contributions of the relevant executive towards achieving them.
A summary of the FY18 performance measures is set out below.
Group-wide financial performance measure (60% of STI)
Earnings before interest, tax, depreciation and amortisation including Yellow Cabs Queensland, less acquisitions, divestments and impairments (Gateway Hurdle).
100% of the Gateway Hurdle is $32.8 million. The minimum threshold for the Gateway Hurdle is 90% being $29.5 million, triggering a 35% payment of the financial performance measure. Straight line vesting of 65% will occur between the minimum threshold of $29.5 million and the maximum amount of $32.8 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 performance measures below may be discounted by up to 33%.
Individual performance measures (40% of STI)
<table>
<tr><th>Role</th><th>Performance measure</th></tr>
<tr><td>CEO</td><td>Customer engagement and corporate culture (10%)
Grow the personal transport business – fleet growth (10%)
Effectively promote the 13cabs app (10%)
Grow the payments business (10%)</td></tr>
<tr><td>Other executive KMP</td><td>Position-specific performance measures tailored for each executive having regard to their role, responsibility and specific strategic goals over which they have influence. Examples include:
ACCC compliance
Capture the value of the Yellow Cabs Queensland acquisition
Cyber security and stability of technical operations
Grow the payments business</td></tr>
</table>
Details regarding the STI outcomes for FY18, based on achievement of the performance measures outlined above, are set out in section 4 of the Remuneration Report.
</td></tr>
<tr><td>How is performance tested?</td><td>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 CEO considers the performance of other executive KMPs against the performance measures set for the year and, in consultation with the Committee, provides a recommendation of the STI to be paid (if any) to the Board for approval. The Board may approve, amend or reject the recommendations.</td></tr>
<tr><td>What happens on a change of control or other significant events?</td><td>
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 executives are not unfairly advantaged (or disadvantaged) by factors outside their control. Any variations will be disclosed and explained in the Remuneration Report.
</td></tr>
</table>

STI (continued)

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.
Were any changes made in FY18?	The following changes were made: • The STI performance measures were reviewed to ensure that they continue to align with strategic goals. • The STI plan was independently reviewed resulting in amendments to the plan to provide the Board with a discretion to reduce STI outcomes in situations where the targets have been met but the Board does not consider it would be appropriate to provide the full STI outcome. • To standardise the STI across all executive KMP, both Mr Ludick's and Mr Lukabyo's maximum STI opportunity increased from $100,000 to $150,000.

Remuneration Report (continued)

LTI

Details of the LTI are disclosed below.

What is the LTI plan?	The LTI plan provides participating senior executives with an opportunity to share in the long-term growth of Cabcharge and aligns their interests with those of the Company's shareholders. All executive KMP are eligible and participated (except for Mr van Hoof and Ms Lines) in the LTI plan in FY18.
What is the format for LTI awards?	LTI awards are delivered in the form of rights which are granted to participants 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 measure 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 FY18 LTI award commenced on 1 July 2017 and will end on 30 June 2021. Subject to the satisfaction of the relevant performance measure, the FY18 award will vest following testing of the performance measure, which is anticipated to occur after the FY21 full year results announcement.
What is the maximum opportunity?	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 42.5% of FAR. The number of rights granted to individuals was calculated by dividing their maximum LTI opportunity by the volume weighted average market price (**VWAP**) of the Company's shares over the five trading day period commencing 30 days after the date of the release of the Company's audited financial results for the year ended 30 June 2017. No discount is made for dividends foregone nor for performance or other considerations.

LTI (continued)

What are the LTI performance measures?

The FY18 LTI award is subject to the achievement of an absolute total shareholder return target by the Company (**TSR Hurdle**). The TSR Hurdle measures the change in the Company's share price, including dividends paid, over the performance period. It is set at a level above average historical long-term market returns to ensure vesting will occur only if the Company's shareholders experience superior returns.

The TSR Hurdle requires a minimum threshold performance of at least 8% annual effective TSR per ordinary share before any vesting will occur.

The percentage of rights subject to the TSR Hurdle that vest, if any, will be determined by the Board in accordance with the following vesting schedule.

TSR performance	Rights that vest (%)
Less than 8% return p.a.	0%
At 8% return p.a.	30%
Above 8% return p.a. but less than 12% return p.a.	Straight-line vesting between 30% and 100% of the award
12% return p.a. or more	100%

For the purpose of calculating the growth in the Company's share price as part of the TSR calculation, the following opening and closing share prices will be used:

- The VWAP of the Company's shares over the five trading day period commencing 30 days after date of the release of the Company's audited financial results for the year ended 30 June 2017, being $1.80; and
- The VWAP of the Company's shares over the corresponding five trading day period following the release of the Company's audited financial results for the year ended 30 June 2021.

Decisions regarding the level of performance achieved and relevant remuneration outcomes will be made by the Board according to the above vesting schedule at the end of the performance period, with the outcomes communicated to shareholders in the Remuneration Report.

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 (continued)

LTI (continued)

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.
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.
Were any changes made in FY18?	**Change to performance measures** During a period of regulatory change, disruption and growth cycles, including the disposal and acquisition of assets, an absolute TSR is the most appropriate method to align the efforts of executives with superior returns to shareholders. Accordingly, the Board recommended, and shareholders approved (at the 2017 Annual General Meeting), the adoption of the TSR Hurdle as the sole LTI performance measure with an extended range for the threshold and stretch targets (8% to 12%, previously 9% to 11%). The calculation of the VWAP used to determine the number of rights to be granted and for calculating the growth in the Company's shares as part of the TSR calculation has been moved from five days after the 30 June to five days following the release of the Company's audited results. The change in timing ensures that the TSR Hurdle in the LTI program aligns with the release of the Company's financial results to the market. **Change to Chief Technology Officer's maximum opportunity** Mr Ludick's maximum LTI opportunity increased from $100,000 to $150,000. The Board believes that the change was appropriate given the emphasis on technology in the Company's strategic plan.

Executive KMP contracts

The Company has a contemporary standard executive service agreement. The remuneration arrangements for executive KMP are formalised in these agreements.

Table 3: Executive KMP contract terms

	Contract term	Notice Period[1]
Executive		
Andrew Skelton	Ongoing	12 months
Adrian Lucchese	Ongoing	6 months
Deon Ludick	Ongoing	6 months
Fred Lukabyo[2]	Ongoing	6 months
Stuart Overell	Ongoing	6 months
Ton van Hoof	Ongoing	6 months
Former executive		
Sheila Lines	Ongoing	6 months

1 The length of the notice period is the same for the executive KMP and the Company. The Board has the discretion to make payments to executive KMP lieu of notice.

2 In relation to Mr Lukabyo's notice period, up until 30 June 2020 both he 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 KMP remuneration outcomes for FY18

FY18 was a year of consolidation and growth for Cabcharge with efforts to improve the value proposition of the Company's services delivering increases in fleet size and payment turnover. We also commenced the integration of the Yellow Cabs Queensland business and enhanced our product offering through improved technology and marketing initiatives. The Company also entered into an agreement to acquire Mobile Technologies International Pty Ltd (formerly MTData). This strategic transaction will significantly improve the Company's dispatch solutions and increase our technological capabilities and innovation opportunities. It will also enable the Company to expand its product offerings internationally.

FAR

There were no changes to the fixed remuneration of executive KMP for FY18.

STI performance and outcomes

The CEO assessed the performance of each executive KMP against their individual FY18 STI performance measures with recommendations presented to the Committee. The Committee also assessed the performance of the CEO with reference to his STI performance measures and made recommendations to the Board.

The Board considered the material provided to the Committee, its recommendations, and the annual financial results. The Board determined that $33.2 million was achieved for the financial performance measure which exceeded the minimum threshold for the Gateway Hurdle of $29.5 million. The Board also agreed with the recommendations in relation to the individual performance of each executive KMP and the applicable value payable.

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

Financial performance measure – Gateway Hurdle	60%	Target 60%
Customer engagement and corporate culture	5%	Target 10%
Grow the personal transport business – fleet growth	10%	Target 10%
Effectively promote the 13cabs app	10%	Target 10%
Grow the payments business	3.7%	Target 10%

Remuneration Report (continued)

The individual STI outcomes for each executive KMP, including percentages and values payable are detailed in the table below.

Table 4: FY18 STI award outcomes

	Maximum FY18 STI opportunity $	STI earned in FY18 $	% of maximum STI opportunity achieved	% of maximum STI opportunity forfeited
Executive				
Andrew Skelton	400,000	354,800 [1]	89	11
Adrian Lucchese	150,000	135,000	90	10
Deon Ludick	150,000	135,000	90	10
Fred Lukabyo	150,000	131,325	88	12
Stuart Overell	150,000	113,775	76	24
Ton van Hoof [2]	–	–	–	–
Former executive				
Sheila Lines [3]	–	–	–	–

1 25% of the STI earned in FY18 being $88,700 is deferred and paid in two equal instalments of $44,350 in July 2019 and $44,350 in July 2020.

2 Mr van Hoof commenced as a KMP on 15 May 2018. He did not participate in the FY18 STI.

3 Ms Lines resigned on 31 December 2017 following completion of her notice period. She did not participate in the FY18 STI.

LTI performance and outcomes

The Company's shareholders approved the LTI plan in November 2014. There are no LTI vesting outcomes for the FY18 LTI award as the performance period is four years.

The first tranche of performance rights granted under the LTI plan for the financial year ended 30 June 2015 (**FY15**) vest in or around September 2018 after the publication of this report. The outcomes for the FY15 LTI award will be included in the 2019 Remuneration Report.

Snapshot of Group performance

Table 5: Performance outcomes for the last five years

		FY18	FY17	FY16	FY15	FY14
Profit after tax from continuing operations	$m	(1.9)	13.8	10.3	46.5	56.1
(Loss) Profit attributable to the owners of the Company	$m	(2.2)	(90.5)	25.6	46.5	56.1
Dividend paid	$m	16.9	120.4	24.1	24.1	32.5
Dividend paid per share fully franked	cents	14	100	20	20	27
Closing share price at 30 June [1]	$	2.40	2.53	3.19	3.66	4.04

1 The opening share price in FY14 was $4.03.

Executive remuneration in FY18

The statutory remuneration of each executive KMP in FY18 is set out in the table below.

Table 6: FY18 executive KMP remuneration (statutory)

		Short-term benefits			Post-employment benefits			Share based payments		
		Salary and fees $	STI $	Non-cash benefits [1] $	Super-annuation contribu-tions $	Termination benefits $	Other long-term employee benefits[1] $	LTI $	Total $	Perfor-mance related rem % of total rem [2]
Executive										
Andrew Skelton	**2018**	**679,951**	**354,800** [3]	**–**	**20,049**	**–**	**12,287**	**37,339**	**1,104,426**	**35.51**
	2017	680,385	372,280 [4]	25,065	24,925	–	23,255	26,314	1,152,224	34.59
Adrian Lucchese	**2018**	**369,951**	**135,000**	**–**	**20,049**	**–**	**2,340**	**9,594**	**536,934**	**26.93**
	2017	376,409	136,335	9,096	19,647	–	1,011	6,161	548,659	25.97
Deon Ludick	**2018**	**363,201**	**135,000**	**6,417**	**20,049**	**–**	**1,045**	**20,500**	**546,212**	**28.47**
	2017	349,186	90,820	11,380	21,678	–	–	6,542	479,606	20.30
Fred Lukabyo	**2018**	**419,950**	**131,325**	**14,795**	**23,373**	**–**	**7,620**	**23,771**	**620,834**	**24.98**
	2017	407,804	91,720	64,988	19,736	–	16,826	9,813	610,887	16.62
Stuart Overell	**2018**	**394,951**	**113,775**	**–**	**20,049**	**–**	**10,099**	**9,594**	**548,468**	**22.49**
	2017	385,222	132,980	23,398	19,647	–	33,538	6,161	600,946	23.15
Ton van Hoof [5]	**2018**	**109,191**	**–**	**10,933**	**3,092**	**–**	**539**	**–**	**123,755**	**0.00**
	2017	–	–	–	–	–	–	–	–	–
Former executive										
Sheila Lines [6]	**2018**	**236,212**	**–**	**321**	**12,499**	**–**	**–**	**–**	**249,032**	**0.00**
	2017	466,894	170,140	–	20,060	–	1,349	16,584	675,027	27.66
Total	**2018**	**2,573,407**	**869,900**	**32,466**	**119,160**	**–**	**33,930**	**100,798**	**3,729,661**	**26.35**
	2017	2,665,900	994,275	133,927	125,693	–	75,979	71,575	4,067,349	26.21

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 $88,700 is deferred and will be paid in two equal instalments of $44,350 the first in July 2019 and the second in July 2020.

4 $85,570 is deferred and will be paid in two equal instalments of $42,785 the first in July 2018 and the second in July 2019. $30,000 of Mr Skelton's FY17 STI amount is deferred from his FY16 STI program.

5 Mr van Hoof was appointed as CFO on 15 May 2018. He did not participate in the FY18 STI or LTI. His salary and fees of $109,191 includes a discretionary bonus of $67,500 in recognition for his contribution towards the underlying financial performance of the Company whilst acting as CFO during the months prior to his formal appointment.

6 Ms Lines resigned on 31 December 2017 following completion of her notice period. She did not participate in the FY18 STI or LTI.

Remuneration Report (continued)

LTI awards held by executive KMP

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

Table 7: LTI rights held by executive KMP

	Grant Date	Performance period	Number of rights granted	Performance conditions	Vesting date
Executive[1]					
Andrew Skelton	22 February 2018	1 July 2017 – 30 June 2021	222,222	Absolute TSR hurdle	14 September 2021
	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
Adrian Lucchese	15 February 2018	1 July 2017 – 30 June 2021	111,111	Absolute TSR hurdle	14 September 2021
	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
Deon Ludick	15 February 2018	1 July 2017 – 30 June 2021	83,333	Absolute TSR hurdle	14 September 2021
	30 January 2017	1 July 2016 – 30 June 2020	31,153	Absolute TSR hurdle and ROE hurdle	14 September 2020
Fred Lukabyo	15 February 2018	1 July 2017 – 30 June 2021	83,333	Absolute TSR hurdle	14 September 2021
	19 June 2017	1 July 2016 – 30 June 2020	46,729	Absolute TSR hurdle and ROE hurdle	14 September 2020
Stuart Overell	15 February 2018	1 July 2017 – 30 June 2021	111,111	Absolute TSR hurdle	14 September 2021
	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 van Hoof became a member of the Company's KMP on 15 May 2018. He did not participate in the FY18 LTI and does not hold any performance rights.

5. Non-executive Director fee arrangements

Board and committee fees

Individual Non-executive Director (**NED**) fees are paid out of an aggregate fee pool of $1.3 million per annum which was approved by shareholders on 26 November 2014. The fee pool is inclusive of statutory entitlements (including superannuation). When recommending the aggregate fee pool for shareholder approval, the Board considers the fees required to attract and retain NEDs with the necessary skills and experience whilst incurring a cost acceptable to our shareholders.

NED fees consist of Board fees and committee fees. The payment of additional fees for serving on a committee recognises the additional time commitment required by NEDs. The Chairman of the Board is not eligible for additional fees for serving on committees. Fees are not linked to performance and no STI or LTI is provided to NEDs.

Fees in FY18

The Committee reviewed the NED fees and having taken into account the Committee's recommendation, the Board determined that there were to be no NED fee increases in FY18.

The table below summarises NED fees payable in respect of FY18.

Table 8: Board and committee fees

	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.

NED remuneration in FY18

The statutory remuneration of each NED in FY18 is set out in the table below.

Table 9: FY18 NED remuneration (statutory)

		Short-term benefits	Post-employment benefits	
		Salary and fees $	Superannuation contributions $	Total $
Paul Oneile	**2018**	**200,913**	**19,087**	**220,000**
Independent Chairman	2017	66,971	6,362	73,333
Louise McCann [1]	**2018**	**92,225**	**8,761**	**100,986**
Non-executive Director	2017	–	–	–
Donnald McMichael	**2018**	**111,412**	**10,584**	**121,996**
Non-executive Director	2017	107,419	10,205	117,624
Richard Millen [2]	**2018**	**95,552**	**35,358**	**130,910**
Non-executive Director	2017	112,657	36,983	149,640
Clifford Rosenberg [3]	**2018**	**99,833**	**–**	**99,833**
Non-executive Director	2017	–	–	–
Trudy Vonhoff	**2018**	**115,525**	**10,975**	**126,500**
Non-executive Director	2017	111,094	10,554	121,648
Total fees	**2018**	**715,460**	**84,765**	**800,225**
	2017	398,141	64,104	462,245

1 Ms McCann commenced as a NED on 29 August 2017.

2 Mr Millen's 2017 fees were higher due to his position of Independent Chairman from 24 November 2016 to 27 February 2017.

3 Mr Rosenberg commenced as a NED on 29 August 2017. Mr Rosenberg's fees were invoiced and paid monthly to Rosenberg Trading Pty Ltd, a personal services company nominated by him.

Remuneration Report (continued)

6. Additional disclosures relating to securities

Shares

In order to align the interests of NEDs with the Company's shareholders, the Board has adopted a policy that requires each NED to accumulate a minimum shareholding equivalent to their annual base fee. NEDs who were members of the Board before 20 June 2016 have three years from this date to meet the expected level of share ownership. NEDs appointed after 20 June 2016 have three years from their appointment date to meet the expected level of share ownership.

Executive KMP are granted rights under the LTI plan which convert into shares on the achievement of performance measures. The first tranche of rights granted under the LTI plan in FY15 are due to vest during FY19.

The relevant interests of each KMP (and their related parties) in the share capital of the Company for FY18 are detailed in the table below.

Table 10: Shareholdings of KMP and their related parties

	Balance 1 July 2017		Received as remuneration		Net other change		Balance 30 June 2018	
	Direct interest	Indirect interest	Direct interest	Indirect interest	Direct interest	Indirect interest	Direct interest	Indirect interest
Non-executive Director								
Paul Oneile [1]		10,000	–	–	–	46,968	–	56,968
Louise McCann [2]	–	–	–	–	–	23,800	–	23,800
Donnald McMichael [3]	500	35,530	–	–	–	10,770	500	46,300
Richard Millen [4]	–	35,000	–	–	–	25,000	–	60,000
Clifford Rosenberg [5]	–	–	–	–	–	111,307	–	111,307
Trudy Vonhoff	22,000	–	–	–	–	–	22,000	–
Executive								
Andrew Skelton	6,861	–	–	–	–	–	6,861	–
Adrian Lucchese	–	–	–	–	3,856	–	3,856	–
Deon Ludick	–	–	–	–	–	–	–	–
Fred Lukabyo	2,450	–	–	–	–	–	2,450	–
Stuart Overell	–	–	–	–	–	–	–	–
Ton van Hoof	–	–	–	–	–	–	–	–
Former executive								
Sheila Lines [6]	–	4,000	–	–	–	–	–	4,000

1 56,968 fully paid ordinary shares held by PNM Management Pty Ltd atf the Kyambra Superannuation Fund.
2 23,800 fully paid ordinary shares held by Tyrrell McCann Pty Ltd atf the Tyrrell McCann Superannuation Fund.
3 46,300 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.
4 60,000 fully paid ordinary shares held by Woor Pty Ltd atf the Millen Superannuation Fund.
5 111,307 fully paid ordinary shares held by Cliffro Pty Ltd atf the Cliffro Trust.
6 As at 31 December 2017, 4,000 fully paid ordinary shares held by SP Advisors Superannuation Fund Pty Ltd atf the SP Advisors Superannuation Fund.

Rights

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

Table 11: Rights granted under the LTI plan to executive KMP

	Balance 1 July 2017	Number of rights granted in FY18[1]	Value of rights granted in FY18	Net other change	Vested	Value of rights vested	Lapsed	Balance 30 June 2018
Executive								
Andrew Skelton	246,271	222,222	400,000	–	–	–	–	468,493
Adrian Lucchese	113,122	111,111	200,000	–	–	–	–	224,233
Deon Ludick	31,153	83,333	150,000	–	–	–	–	114,486
Fred Lukabyo	46,729	83,333	150,000	–	–	–	–	130,062
Stuart Overell	113,122	111,111	200,000	–	–	–	–	224,233
Ton van Hoof[2]	–	–	–	–	–	–	–	–
Former executive								
Sheila Lines[3]	88,552	–	–	–	–	–	(88,552)	–

1 For performance rights granted as remuneration, the fair value is $409,444. The fair value has been calculated by an independent advisor as at the date of grant, using a Monte Carlo simulation model for the total shareholder return ($0.67 per right).

2 Mr van Hoof commenced as a KMP on 15 May 2018. He did not participate in the FY18 LTI and does not hold any performance rights.

3 Ms Lines resigned on 31 December 2017 following completion of her notice period. She did not participate in the FY18 LTI and the 88,552 rights that she held lapsed.

7. Transactions with 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 the 2017 Remuneration Report

The Company received a "yes" vote on more than 87% of votes cast on its Remuneration Report for the 2017 financial year. Being mindful of the focus on executive KMP remuneration, the Company has continued to review its remuneration practices.

Auditor's Independence Declaration

KPMG

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

To the Directors of Cabcharge Australia Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Cabcharge Australia Limited for the financial year ended 30 June 2018 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 2018

Consolidated Financial Statements

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Consolidated Statement of Comprehensive Income

for the year ended 30 June 2018

	Notes	2018 $'000	2017 $'000
Continuing operations			
Revenue	3	185,543	151,949
Other income	3	2,572	1,689
Processing fees to Taxi Networks		(7,436)	(8,821)
Brokered Taxi plate licence costs		(24,538)	(19,935)
Other Taxi related costs		(7,413)	(2,760)
Taxi operating expenses		(5,056)	–
Courier service expenses		(2,544)	–
Employee benefits expenses		(54,136)	(42,760)
Cost of good sold – Car		(2,731)	–
General and administrative expenses		(37,814)	(22,856)
Depreciation	11	(11,379)	(11,963)
Amortisation	13 &15	(3,821)	(1,745)
Impairment charges	13 &15	(15,681)	(8,277)
Capitalised development costs written-off		–	(1,577)
Other expenses		(11,169)	(6,974)
Results from operating activities		**4,397**	**25,970**
Finance income	4	416	1,885
Finance costs		(1,092)	(3,573)
Net finance costs		**(676)**	**(1,688)**
Profit before income tax from continuing operations		**3,721**	**24,282**
Income tax expense	5	(5,578)	(10,581)
(Loss)/Profit after tax from continuing operations		**(1,857)**	**13,701**
Discontinued operations			
(Loss) from discontinued operations (net of income tax)	10	(362)	(104,251)
(Loss) for the year attributable to owners of the Company		**(2,219)**	**(90,550)**
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
Effective portion of change in fair value of cash flow hedge		–	123
Net change in fair value of available-for-sale financial assets transferred to profit or loss		–	12
Income tax on other comprehensive income		–	(40)
Other comprehensive income for the year, net of income tax		**–**	**5,054**
Total comprehensive (loss) for the year attributable to owners of the Company		**(2,219)**	**(85,496)**
Earnings per share			
From continuing operations:			
Basic earnings per share (AUD)	21	(1.5 cents)	11.4 cents
Diluted earnings per share (AUD)	21	(1.5 cents)	11.4 cents
Total attributable to owners of the Company:			
Basic earnings per share (AUD)	21	(1.8 cents)	(75.2 cents)
Diluted earnings per share (AUD)	21	(1.8 cents)	(75.2 cents)

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

Consolidated Statement of Financial Position

as at 30 June 2018

	Notes	2018 $'000	2017 $'000
Current assets			
Cash and cash equivalents	30	22,253	29,456
Trade and other receivables	6	64,880	78,755
Current tax assets		1,137	–
Inventories	7	4,232	1,011
Prepayments		5,861	3,480
Total current assets		**98,363**	**112,702**
Non-current assets			
Trade and other receivables	6	3,768	3,298
Financial assets	8	3,007	1,949
Property, plant and equipment	11	38,300	35,392
Net deferred tax assets	12	2,901	3,013
Taxi plate licences	13	17,553	33,247
Goodwill	14	25,098	15,249
Intellectual property	15	15,703	11,747
Total non-current assets		**106,330**	**103,895**
Total assets		**204,693**	**216,597**
Current liabilities			
Trade and other payables	16	32,490	25,775
Loans and borrowings	17	3,052	3,676
Current tax liabilities		–	967
Employee benefits	18	6,170	4,294
Total current liabilities		**41,712**	**34,712**
Non-current liabilities			
Employee benefits	18	786	731
Total non-current liabilities		**786**	**731**
Total liabilities		**42,498**	**35,443**
Net assets		**162,195**	**181,154**
Equity			
Share capital	19	138,325	138,325
Reserves	19	348	228
Retained earnings		23,522	42,601
Total equity attributable to equity holders of Cabcharge Australia Limited		**162,195**	**181,154**

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 2018

	Notes	2018 $'000	2017 $'000
Cash flows from operating activities			
Receipts from Customers and others		1,213,196	1,122,959
Payments to suppliers, licensees and employees		(1,175,107)	(1,073,829)
Dividends received		361	263
Interest received		416	1,885
Finance costs paid		(753)	(3,698)
Income tax paid		(8,261)	(9,735)
Net cash provided by operating activities	30	**29,852**	**37,845**
Cash flows from investing activities			
Purchase of property, plant and equipment		(11,709)	(8,630)
Payments for development of intellectual property		(3,957)	(3,371)
Government's compensation for cancelling the tradeable value of Taxi plate licences		750	–
Payments for other investments		–	(110)
Repayment from associates		–	18,812
Acquisition of business assets, net of cash acquired		(20,886)	–
Net capital gain tax paid		(252)	–
Proceeds from sale of associate	10	12,906	184,034
Proceeds from sale of property, plant and equipment		3,577	14,255
Net cash (used in)/provided by investing activities		**(19,571)**	**204,990**
Cash flows from financing activities			
Proceeds from borrowings		662	10,098
Repayment of borrowings		(1,286)	(116,085)
Dividends paid	20	(16,860)	(120,431)
Net cash (used in) financing activities		**(17,484)**	**(226,418)**
Net (decrease)/increase in cash and cash equivalents		(7,203)	16,417
Cash and cash equivalents at 1 July		29,456	13,039
Cash and cash equivalents at 30 June	30	**22,253**	**29,456**

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 2018

	Notes	Share capital $'000	Reserves $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2017		**138,325**	**228**	**42,601**	**181,154**
Total comprehensive income for the year					
(Loss) for the year		–	–	(2,219)	(2,219)
Other comprehensive income					
Share of other comprehensive income of associates, net of tax		–	–	–	–
Effective portion of change in fair value of cash flow hedge, net of tax		–	–	–	–
Net change in fair value of available-for-sale financial assets transferred to profit or loss, net of tax		–	–	–	–
Total other comprehensive income		**–**	**–**	**–**	**–**
Total comprehensive income for the year		**–**	**–**	**(2,219)**	**(2,219)**
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Share-based payments		–	120	–	120
Dividends to equity holders	20	–	–	(16,860)	(16,860)
Total contributions by and distributions to owners		**–**	**120**	**(16,860)**	**(16,740)**
Total transactions with owners		**–**	**120**	**(16,860)**	**(16,740)**
Balance at 30 June 2018		**138,325**	**348**	**23,522**	**162,195**
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	20	–	–	(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**

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 2018

1. Reporting entity

Cabcharge Australia Limited (**Company**) is a company domiciled in Australia. The address of the Company's registered office is 152–162 Riley Street, East Sydney. The Consolidated Financial Statements as at and for the year ended 30 June 2018 comprise 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 2018 was involved in Taxi related services.

2. Basis of preparation

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 2018.

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.

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.

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.

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 13 Taxi plate licences
- Note 14 Goodwill
- Note 15 Intellectual property
- Note 18 Employee benefits

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.

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 2018 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 completing the assessment of the classification and measurement impacts of this standard. Based on its preliminary assessment the Group does not expect any material impacts on the Consolidated Financial Statements for the year ending 30 June 2019.
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 has completed the detailed assessment of this standard and does not expect any material impacts on the Consolidated Financial Statements for the year ending 30 June 2019.
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 assessing the potential impact on its consolidated financial statements resulting from the application of AASB 16 based on its position as at 30 June 2018 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 of at least $8m in assets and liabilities. The Group's assessment of the potential impact on its Consolidated Financial Statements 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.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2018

3. Revenue and 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 (**GST**) and third party credit card fees. As the Group acts in the capacity of an agent the revenue represents only the fee received on the transaction although the Group is exposed to credit risk on the full amount of the 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 month in advance. Revenue is recognised on a straight-line basis over the period the services are provided. Operating revenue receipts relating to the period beyond the current financial year are shown in the Consolidated Statement of Financial Position as unearned revenue under the heading of Current liabilities – Trade and other payables, refer to Note 16.

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 is billed every month in arrears. It is recognised when services are rendered.

Taxi operating income

Taxi operating income is derived from the rental of vehicles to Independent Drivers. This revenue is recognised when services are rendered.

Courier service income

Courier service income is generated from providing courier dispatch services (subscription) and is billed on a monthly basis in advance. It is recognised when services are rendered.

Car sales income

Car sales income is generated through the sale of cars to Taxi Operators. This revenue is recognised when the ownership of the car is transferred to Customers.

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.

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.

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 monthly in arrears and is recognised when services are rendered.

Other revenue

Other revenue is generated from other Taxi operation's ancillary activities and software development. It is recognised when services are rendered.

Revenues

	2018 $'000	2017 $'000
Taxi service fee income	44,665	51,091
Network subscription fee income	70,030	56,912
Brokered Taxi plate licence income	26,074	21,015
Owned Taxi plate licence income	3,395	4,959
Other Taxi related services income	7,910	4,156
Taxi operating income	7,746	–
Courier service income	3,705	–
Car sales income	4,579	–
Vehicle financing lease and insurance loan income	4,688	5,382
School bus route services income	4,446	2,177
Taxi Subsidy Scheme Revenue	2,009	1,863
Other revenue	6,296	4,394
Total operating revenue	**185,543**	**151,949**

Other income

	2018 $'000	2017 $'000
Non-operating activities		
Taxi Industry assistance from Government	2,210	–
Gain on disposal of property, plant and equipment	362	1,689
Total other income	**2,572**	**1,689**

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 using the effective interest method.

	2018 $'000	2017 $'000
Finance income		
Gain on hedging instruments	–	419
Interest income	416	1,466
Total finance income	**416**	**1,885**

Notes to the Consolidated Financial Statements

for the year ended 30 June 2018

5. Income tax expense

Accounting policies

Income tax expense comprises current and deferred tax. Income tax expense is recognised 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.

	2018 $'000	2017 $'000
Cabcharge Australia Limited and its wholly owned Australian resident subsidiaries form a tax consolidated group. The current tax rate applicable to the group is 30%.		
Current income tax expense		
Current year	6,412	9,865
Adjustment for prior years	(221)	593
	6,191	10,458
Deferred tax expense		
Origination and reversal of temporary differences	(703)	123
Adjustment for prior years – deferred tax	90	–
Total income tax expense in the Consolidated Statement of Comprehensive Income	**5,578**	**10,581**

	2018 $'000	2017 $'000
Numerical reconciliation between tax expense and pre-tax profit		
Profit before tax from continuing operations	3,721	24,282
Prima facie income tax using the corporate tax rate of 30% (2017: 30%)	1,116	7,285
Add tax effect of:		
Non-deductible depreciation	185	151
Non-allowable impairment charges	4,704	2,483
Other non-allowable items	39	142
Less tax effect of:		
Rebateable fully franked dividends	(35)	–
Tax exempt dividends	(75)	(73)
Capital (profit) not subject to income tax	(225)	–
Adjustment for prior years – tax payable	(221)	593
Adjustment for prior years – deferred tax	90	–
Income tax expense	**5,578**	**10,581**
Effective tax rate on pre-tax profit from continuing operations	149.9%	43.6%

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 the Group is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of an asset to the lessee, the arrangement is classified as a finance lease and a receivable equal to the net investment in the lease is recognised and presented within trade and other receivables.

	2018 $'000	2017 $'000
Current		
Trade receivables	56,690	55,090
Accumulated impairment losses	(1,152)	(2,781)
Finance lease receivables	3,428	3,339
Receivables from sales of property	–	3,000
Receivables from sales of investment in associates	–	13,268
Other receivables	6,127	6,839
Accumulated impairment losses	(213)	-
	64,880	**78,755**
Non-current		
Finance lease receivables	3,768	3,298
	3,768	**3,298**
Movement in allowance for impairment		
Balance at the beginning of the year	(2,781)	(2,387)
Doubtful debts (recognised)	(466)	(849)
Amount written off as uncollectable	1,882	455
Balance at the end of the year	**(1,365)**	**(2,781)**

The allowance for impairment reflects both specific doubtful debt provision and collective loss impairment (refer to Note 31). 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

	2018			2017		
	Gross $'000	Impairment $'000	Net $'000	Gross $'000	Impairment $'000	Net $'000
Not past due	49,531	(30)	49,501	36,413	(50)	36,363
Past due 1–30 days	3,687	(39)	3,648	11,839	(12)	11,827
Past due 31–60 days	2,122	(749)	1,373	4,020	(1,027)	2,993
Past due 61–90 days	382	(119)	263	1,122	(706)	416
Past due over 90 days	968	(215)	753	1,696	(986)	710
	56,690	**(1,152)**	**55,538**	**55,090**	**(2,781)**	**52,309**

For additional information in relating to credit risk, refer to Note 31.

Finance leases of the Group are receivable as follows:

	2018			2017		
	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	3,428	603	2,825	3,978	639	3,339
Between one and five years	3,768	543	3,225	3,781	483	3,298
	7,196	**1,146**	**6,050**	**7,759**	**1,122**	**6,637**

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.

	2018 $'000	2017 $'000
Motor vehicles – at cost	1,068	–
Parts, safety cameras and sundries – at cost	3,164	1,011
	4,232	**1,011**

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 which approximate fair value. 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.

	2018 $'000	2017 $'000
Unlisted investments – available-for-sale		
Shares in other corporations – at cost	3,007	1,949
	3,007	**1,949**

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 31 July 2017 the Group acquired the business and assets of Yellow Cabs Queensland for cash consideration of $19.5 million. Yellow Cabs Queensland operates a fleet of Taxis and provides Taxi Network services to Taxi Operators and Drivers.

The Group incurred acquisition-related cost of $1.4 million primarily relating to external legal fees and stamp duty. These amounts have been included in general administrative expenses in the Consolidated Statement of Comprehensive Income.

The fair value of the identifiable assets and liabilities acquired are as follows:

	2018 $'000
Cash and cash equivalents	63
Trade and other receivables	3,435
Inventory	977
Other current assets	622
Shares in unlisted companies	1,058
Net deferred tax liabilities	(725)
Property, plant and equipment	3,022
Intellectual property	3,534
Trade and other payables	(1,227)
Employee entitlements	(1,108)
Fair value of identifiable net assets acquired	**9,651**
Consideration paid, satisfied in cash	**(19,500)**
Goodwill (refer to Note 14)	**(9,849)**

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10. Discontinued operations

On 21 December 2016 the Group entered into an agreement to sell its investment in Comfort DelGro 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.

Results of discontinued operations

	2018 $'000	2017 $'000
Share of profit of discontinued operation		
– ComfortDelGro Cabcharge Pty Ltd	–	8,218
– CityFleet Networks Ltd	–	(582)
Impairment charge on CityFleet Networks Ltd	–	(20,200)
Foreign exchange loss on CityFleet Networks Ltd	(362)	–
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) from discontinued operation, net of tax	**(362)**	**(104,251)**

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

	2018 $'000			2017 $'000		
	CDC	CFN	Total	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 operation

	2018 $'000	2017 $'000
Cash flows from operating activities	–	–
Cash flows from investing activities	12,906	184,034
Cash flows from financing activities	–	–
Net increase in cash and cash equivalents	**12,906**	**184,034**

11. 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
Leasehold improvements	10 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.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2018

	Land & buildings $'000	Furniture, fittings, plant and equipment $'000	Eftpos equipment $'000	Total $'000
2018 year:				
Cost				
Opening balance	12,631	50,627	40,281	103,539
Additions	286	8,846	2,577	11,709
Additions through acquisition	32	2,990	–	3,022
Disposals	–	(819)	–	(819)
Closing balance	12,949	61,644	42,858	117,451
Accumulated depreciation				
Opening balance	(3,335)	(42,509)	(22,303)	(68,147)
Depreciation expense	(322)	(5,062)	(5,995)	(11,379)
Disposals	–	375	–	375
Closing balance	(3,657)	(47,196)	(28,298)	(79,151)
Net Book Value				
Opening balance	9,296	8,118	17,978	35,392
Closing balance	9,292	14,448	14,560	38,300

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

12. 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
2018 year:					
Accumulated impairment losses – receivables	432	(23)	–	–	409
Provision for employee entitlements	1,536	669	–	333	2,538
Accruals	132	(33)	–	–	99
Tax losses	1,570	(103)	–	–	1,467
Prepayments	(341)	(117)	–	–	(458)
Intellectual property	–	183	–	(1,058)	(875)
Other taxable temporary differences	(316)	37	–	–	(279)
	3,013	**613**	**–**	**(725)**	**2,901**

Notes to the Consolidated Financial Statements

for the year ended 30 June 2018

	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**

13. 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. 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.

a) Composition and movement

	Indefinite life	Finite life		
	$'000	50 year $'000	10 year $'000	Total $'000
2018 year:				
Cost				
Opening balance	**29,465**	**5,600**	**3,319**	**38,384**
Additions	–	–	–	–
Impairment	(13,709)	(1,891)	–	(15,600)
Closing balance	**15,756**	**3,709**	**3,319**	**22,784**
Accumulated amortisation				
Opening balance	**–**	**(1,818)**	**(3,319)**	**(5,137)**
Amortisation expense	–	(94)	–	(94)
Disposals	–	–	–	–
Closing balance	**–**	**(1,912)**	**(3,319)**	**(5,231)**
Net book value				
Opening balance	**29,465**	**3,782**	**–**	**33,247**
Closing balance	**15,756**	**1,797**	**–**	**17,553**
2017 year:				
Cost				
Opening balance	**37,365**	**5,600**	**3,319**	**46,284**
Additions	–	–	–	–
Impairment	(7,900)	–	–	(7,900)
Closing balance	**29,465**	**5,600**	**3,319**	**38,384**
Accumulated amortisation				
Opening balance	**–**	**(1,724)**	**(3,319)**	**(5,043)**
Amortisation expense	–	(94)	–	(94)
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**

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b) Impairment considerations

After assessing the recoverable amount of Taxi plate licences based on value-in-use, using a discounted projected cash flow model, the Group determined that an impairment charge of $15,600,000 was required (FY17 $7,900,000). To determine value-in-use, free cash flows have been projected for five years based on estimated Taxi plate licence income for the forthcoming year plus 0% annual growth (FY17 between 0% to 2%) and a long term growth rates of 2.1% after five years (FY17 2%). A pre-tax discount rate of 14.4% (FY17 12.9%) was applied in determining recoverable amount. This long term growth rate reflects the general estimated long term Australian economic growth and the discount rate is based on 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 $1,105,000 and a decrease of 100 basis points in the long term growth rate would result in a further impairment of $1,112,000.

14. 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.

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% (FY17 2.1%) annual growth and a long term growth rate of 2.1% after five years (FY17 2.1%). A pre-tax discount rate of 11.2% (FY17 11.6%) was applied in determining recoverable amount. The annual growth rate is based on the Australian Consumer Price Index. The 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	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Cabcharge Australia Limited	CAB	3,923	3,923	–	–
Yellow Cabs South Australia	YSA	1,482	1,482	–	–
Yellow Cabs Australia	YCA	9,849	–	–	–
Combined Communications Network	CCN	3,572	3,572	–	–
Black Cabs Combined	BCC	6,272	6,272	–	–
		25,098	**15,249**	**–**	**–**

	CAB $'000	YSA $'000	YCA $'000	CCN $'000	BCC $'000	Total $'000
2018 year:						
Cost						
Opening balance	3,923	1,482	–	3,572	6,272	15,249
Additions through acquisition	–	–	9,849	–	–	9,849
Closing balance	3,923	1,482	9,849	3,572	6,272	25,098
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

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

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15. 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 is 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 $81,000 (FY17 $377,000) was required. In assessing the recoverable amount of trademarks and brand names, the Group has applied pre-tax discount rate of 13.2% (FY17 13.3%), an annual growth rate of 2.1% (FY17 -0.4% to 1.1%) over the next five years and long term growth rate of 2.1% (FY17 1.1%). An increase of 100 basis points in pre-tax discount rate would result in a further impairment of $15,000 and a decrease of 100 basis points in the long term growth rate would result in a further impairment of $17,000.

	Indefinite life		Finite life		
	Trademarks $'000	Brands $'000	Customer contracts $'000	Capitalised development costs $'000	Total $'000
2018 year:					
Cost					
Opening balance	**1,473**	**–**	**2,835**	**28,440**	**32,748**
Additions – internally developed	–	–	–	4,230	4,230
Additions – through acquisition	–	759	2,769	6	3,534
Impairment	(81)	–	–	–	(81)
Closing balance	**1,392**	**759**	**5,604**	**32,676**	**40,431**
Accumulated amortisation					
Opening balance	**–**	**–**	**(1,230)**	**(19,771)**	**(21,001)**
Amortisation expense	–	(249)	(1,067)	(2,411)	(3,727)
Disposals	–	–	–	–	–
Closing balance	**–**	**(249)**	**(2,297)**	**(22,182)**	**(24,728)**
Net book value					
Opening balance	**1,473**	**–**	**1,605**	**8,669**	**11,747**
Closing balance	**1,392**	**510**	**3,307**	**10,494**	**15,703**
2017 year:					
Cost					
Opening balance	**1,850**	**–**	**2,835**	**26,646**	**31,331**
Additions – internally developed	–	–	–	3,371	3,371
Additions – through acquisition	–	–	–	–	–
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**

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16. 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.

	2018 $'000	2017 $'000
Current		
Trade payables	8,900	9,243
Security deposit	4,706	5,119
Other payables and accruals	9,730	4,940
Unearned revenue	9,154	6,473
	32,490	**25,775**

17. 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

	2018 $'000	2017 $'000
Unsecured loans	**3,052**	**3,676**

b) Disclosure in the Consolidated Statement of Financial Position

Current liability	**3,052**	**3,676**

The unsecured loans are at-call and bear variable interest rates, currently 2% per annum.

For more information about the Group's exposure to interest rate and liquidity risk, refer to Note 31.

18. 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

	2018 $'000	2017 $'000
Annual leave provision	3,329	2,253
Long service leave provision	3,627	2,772
	6,956	**5,025**

b) Disclosure in the Consolidated Statement of Financial Position

	2018 $'000	2017 $'000
Current provision	6,170	4,294
Non-current provision	786	731
	6,956	**5,025**

c) Defined contribution superannuation funds

	2018 $'000	2017 $'000
Contributions to defined contribution superannuation funds	**4,161**	**3,033**

Notes to the Consolidated Financial Statements

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19. 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)

	2018 number	2017 number
Composition of issued capital		
Fully paid ordinary shares	**120,430,683**	**120,430,683**

b) Composition and movement in share capital (dollars)

	2018 $'000	2017 $'000
Composition of share capital		
Fully paid ordinary shares	**138,325**	**138,325**

c) Options over unissued shares

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

d) Terms and conditions applicable to ordinary shares

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

e) Composition and movement in reserves

	Foreign currency translation reserve $'000	Hedging reserve $'000	Capital reserve $'000	Fair value reserve $'000	Employee compensation reserve $'000	Total $'000
2018 year:						
Opening balance	–	–	–	–	228	228
Share-based payments	–	–	–	–	120	120
Closing balance	**–**	**–**	**–**	**–**	**348**	**348**
2017 year:						
Opening balance	(4,045)	(86)	(914)	(9)	169	(4,885)
Net change in fair value of available -for-sale financial assets transferred 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**

20. 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%.

	2018 $'000	2017 $'000
2018 year interim – 4.0 cents per share	4,817	–
2017 year final – 10.0 cents per share	12,043	–
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
Total dividends paid	**16,860**	**120,431**

Dividends cents per share – paid

	2018	2017
Interim	4.00	10.00
Special	–	80.00
Final	10.00	10.00
Total	**14.00**	**100.00**

The final 4 cents per share fully franked dividend was declared after balance date and has not been provided for. It is scheduled for payment on 31 October 2018. 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 2018 and will be recognised in subsequent financial statements.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2018

21. 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.

	2018 $'000	2017 $'000
Consolidated (loss)/profit		
Continuing operations	(1,857)	13,701
Discontinued operations	(362)	(104,251)
Attributable to ordinary shareholders of the Company	**(2,219)**	**(90,550)**

	2018	2017
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.

	2018	2017
Basic EPS		
Continuing operations	(1.5 cents)	11.4 cents
Discontinued operations	(0.3 cents)	(86.6 cents)
Attributable to ordinary shareholders of the Company	**(1.8 cents)**	**(75.2 cents)**
Diluted EPS		
Continuing operations	(1.5 cents)	11.4 cents
Discontinued operations	(0.3 cents)	(86.6 cents)
Attributable to ordinary shareholders of the Company	**(1.8 cents)**	**(75.2 cents)**

22. Dividend franking balance

	2018 $'000	2017 $'000
Balance at the end of the financial year including franking credits arising from income tax payable in respect of the financial year.	**36,750**	**35,799**

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/receipt of the current tax liabilities/receivables;

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 $2,064,000 (2017 $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 $36,750,000 (2017 $35,799,000) franking credits.

23. Parent entity disclosures

As at, and throughout, the financial year ended 30 June 2018 the parent entity of the Group was Cabcharge Australia Limited.

	Parent Entity	
	2018 $'000	2017 $'000
Result of the parent entity		
Profit for the year	14,288	21,251
Other comprehensive income	–	–
Total comprehensive income for the year	**14,288**	**21,251**
Financial position of parent entity at year end		
Current assets	77,530	73,744
Non-current assets	259,730	249,829
Total assets	**337,260**	**323,573**
Current liabilities	26,780	4,871
Non-current liabilities	136,118	141,888
Total liabilities	**162,898**	**146,759**
Total equity of the parent entity comprising of:		
Share capital	138,325	138,325
Reserves	348	228
Retained earnings	35,689	38,261
Total equity	**174,362**	**176,814**

Notes to the Consolidated Financial Statements

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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 2018 (2017 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 24.

24. 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.

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

It is a condition of the Instrument that the Company and each of the subsidiaries seeking relief enter into a Deed of Cross Guarantee (**Deed**). 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.

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

	2018 $'000	2017 $'000
Revenue	188,458	151,522
Expenses	(163,609)	(109,799)
Results from operating activities	**24,849**	**41,723**
Finance income	393	1,853
Finance costs	(1,022)	(3,502)
Profit before income tax	**24,220**	**40,074**
Income tax expense	(9,887)	(7,783)
Profit for the year	**14,333**	**32,291**
Retained earnings at beginning of year	47,809	135,949
Dividends provided for or paid	(29,860)	(120,431)
Retained earnings at end of year	**32,282**	**47,809**

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

	2018 $'000	2017 $'000
Current assets		
Cash and cash equivalents	20,043	24,353
Trade and other receivables	54,721	59,767
Inventories	3,804	974
Other current assets	2,847	1,266
Total current assets	**81,415**	**86,360**
Non-current assets		
Trade and other receivables	636	827
Investments	75,008	73,817
Property, plant and equipment	27,395	26,861
Net deferred tax assets	1,803	1,771
Taxi plate licences	4,906	13,332
Goodwill	24,240	14,392
Intellectual property	15,514	11,316
Total non-current assets	**149,502**	**142,316**
Total assets	**230,917**	**228,676**
Current liabilities		
Trade and other payables	23,839	10,810
Current tax liabilities	3,392	1,019
Employee benefits	5,897	3,733
Total current liabilities	**33,128**	**15,562**
Non-current liabilities		
Non-interest bearing liabilities	25,582	25,582
Employee benefits	765	683
Total non-current liabilities	**26,347**	**26,265**
Total liabilities	**59,475**	**41,827**
Net assets	**171,442**	**186,849**
Equity		
Share capital	138,325	138,325
Reserves	835	715
Retained earnings	32,282	47,809
Total equity	**171,442**	**186,849**

25. 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.

Notes to the Consolidated Financial Statements
for the year ended 30 June 2018

a) KMP compensation (including Non-executive Directors)

	2018 $	2017 $
Short-term employee benefits – salary, fees, non-cash benefits and cash bonus	4,191,233	4,282,052
Post-employment benefits – superannuation	203,925	201,654
Other long-term benefits	33,930	75,979
Share-based payment expense	100,798	71,575
	4,529,886	**4,631,260**

b) Loans to Directors and other KMP
No loans are made to Directors or other KMP.

Transactions with Directors and other KMP
The Group has no transactions with related parties in the reporting period.

Other related party transactions

Related parties	Relationship	Nature of transaction	2018 $	2017 $
ComfortDelGro Cabcharge Pty Ltd (**CDC**)	Associate	1	–	419,463

1 Interest on shareholder loan paid by CDC.

26. Remuneration of auditors

	2018 $	2017 $
Audit services		
Auditors of the Company – KPMG Australia		
Audit and review of financial reports	574,762	375,000
Other regulatory services	–	34,500
Other auditors		
Audit and review of financial reports	–	17,000
Other services		
Auditors of the Company – KPMG Australia		
Taxation services	169,320	166,920
Advisory services	60,000	–
	804,082	**593,420**
Other auditors		
Internal Audit	184,300	98,700
Other services – internal auditor	44,666	126,161
	228,966	224,861
	1,033,048	**818,281**

27. Particulars relating to controlled entities

	Group Interest % 2018	Group Interest % 2017
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	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	68	58
Taxi Services Management (Newcastle) Pty Ltd	100	100
TaxiProp Pty Ltd	100	100
Taxis Australia Pty Ltd	68	58
Taxis Combined Services (Victoria) Pty Ltd	100	100
Taxis Combined Services Pty Ltd	100	100
Taxitech Pty Ltd	100	100
Thirteen Hundred Pty Ltd	100	100
Tiger Taxis Pty Ltd	100	100
Voci Asia Pacific Pty Ltd	100	100
Yellow Cabs (Queensland) Holdings Pty Ltd	100	100
Yellow Cabs Australia 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 New Zealand Limited	100	100
Cabcharge North America Ltd	93	93

Notes to the Consolidated Financial Statements
for the year ended 30 June 2018

28. Capital expenditure commitments

The Group has not entered into any contracts to purchase plant and equipment for which amounts have not been provided as at 30 June 2018 (2017 $nil).

29. Operating lease commitments

Accounting policies

Operating leases are not recognised on the Group's Consolidated Statement of Financial Position. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expense on a straight-line basis over the term of the lease.

Operating lease commitments

	2018 $'000	2017 $'000
One year or less	2,233	1,566
From one to five years	4,517	569
Over five years	4,473	–
Total operating lease commitments	**11,223**	**2,135**

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.

30. 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 from ordinary activities after income tax

	2018 $'000	2017 $'000
(Loss) for the year attributable to owners of the Company	(2,219)	(90,550)
Adjustment for non-cash items:		
Depreciation and amortisation	15,200	13,708
Capitalised development costs written-off	–	1,577
Net (profit)/loss on disposal of property, plant and equipment	(137)	(1,689)
Share-based payments	120	59
Government's compensation for cancelling the tradeable value of Taxi plate licences	(750)	–
Acquisition related costs	1,449	–
Impairment charge	15,681	8,277
Loss/(Profit) from discontinued operations (net of income tax)	362	104,251
Changes in assets and liabilities, net of the effects of purchase of subsidiaries:		
Change in trade and other debtors	(1,457)	565
Change in inventories	(2,244)	310
Change in creditors and accruals	5,616	199
Change in provisions	823	290
Change in income taxes payable	(1,978)	969
Change in deferred tax balances	(614)	(121)
Net cash provided by operating activities	**29,852**	**37,845**

b) Cash and cash equivalents

	2018 $'000	2017 $'000
Cash on hand and at bank	10,141	9,473
Money market deposits	12,112	19,983
Balance per Consolidated Statement of Cash Flows	**22,253**	**29,456**

c) Restricted cash

There was no restricted cash at 30 June 2018 (30 June 2017 $nil).

Notes to the Consolidated Financial Statements

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31. Financial instruments and financial risk management

Overview

The Board of Director's 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 these Consolidated Financial Statements.

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.

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.

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.

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.

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for the year ended 30 June 2018

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
2018 year						
Trade and other payables	32,490	32,490	32,490	–	–	–
Loans and borrowings	3,052	3,156	3,156	–	–	–
	35,542	**35,646**	**35,646**	**–**	**–**	**–**
2017 year						
Trade and other payables	25,775	25,775	25,775	–	–	–
Loans and borrowings	3,676	3,801	3,801	–	–	–
	29,451	**29,576**	**29,576**	**–**	**–**	**–**

	2018 $'000	2017 $'000
Financial facilities		
Revolving credit facility	50,000	80,000
Multi option facility	20,000	20,000
Total facility	**70,000**	**100,000**
Amount used	**–**	**–**
Amount unused	**70,000**	**100,000**

The bank borrowing facility is a revolving facility and expires on 1 July 2021. The Company reduced the finance facility limits from $100 million to $70 million during the year.

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.

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.

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

	Carrying amount 2018 $'000	2017 $'000
Fixed rate instruments		
Financial assets	6,050	6,637
Financial liabilities	–	–
	6,050	6,637
Variable rate instruments		
Financial assets	22,253	29,456
Financial liabilities	(3,052)	(3,676)
	19,201	**25,780**

As at 30 June 2018 the carrying value of financial assets and liabilities on the above table are considered to approximate their fair value.

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:

	2018	2017
Loans and borrowings	2%	3.2% to 3.6%
Finance lease receivables	10% to 12%	7.5% to 13.5%

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 2017.

	Profit or loss	
	100 bp increase $'000	100 bp decrease $'000
2018	(29)	29
2017	(50)	50

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 $3,007,000 as at 30 June 2018 (refer to Note 8).

Other financial assets and liabilities are recorded at cost which approximate fair value.

Notes to the Consolidated Financial Statements

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32. 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 in one business and geographic segment being the provision of Taxi related services in Australia.

During financial year 2017 the Group sold the associates which were equity accounted by Cabcharge, refer to Note 10.

	Taxi related services		**Bus & coach services**		**Consolidated**	
	2018 $'000	**2017 $'000**	**2018 $'000**	**2017 $'000**	**2018 $'000**	**2017 $'000**
Revenue						
External revenue	185,543	151,949	–	–	185,543	151,949
Result						
Reported result	4,397	25,970	–	–	4,397	25,970
(Loss) from discontinued operation, net of tax	(362)	(34,565)	–	(69,686)	(362)	(104,251)
Segment result	**4,035**	**(8,595)**	**–**	**(69,686)**	**4,035**	**(78,281)**
Net finance (costs)					(676)	(1,688)
Income tax expense					(5,578)	(10,581)
(Loss) for the period					**(2,219)**	**(90,550)**
Other disclosures						
Segment assets, excluding investments accounted for using the equity method	204,693	216,597	–	–	204,693	216,597
Segment liabilities	42,498	35,443	–	–	42,498	35,443
Depreciation and amortisation	15,200	13,708	–	–	15,200	13,708
Impairment charges	15,681	8,277	–	–	15,681	8,277

33. 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 $120,920 (FY17 $59,101).

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
2018 year						
Rights granted to CEO and key management personnel On 22 February 2018	611,110	Absolute Total Shareholder Return (market condition)[1]	Monte Carlo simulation	$0.67	14 September 2021	1 July 2017 to 30 June 2021
Total number of Rights	**611,110**					
2017 year						
Rights granted to CEO and key management personnel On 6 June 2016	194,704	Absolute Total Shareholder Return (market condition)[1]	Monte Carlo simulation	$1.68	14 September 2020	1 July 2016 to 30 June 2020
	194,704	Strategic Milestone (non-market condition)[1]	Black-Scholes	$3.16		
Total number of Rights	**389,408**					

1 Details of the operation of LTI awards are outlined in the Directors' Report from page 56 to 58.

b) Key assumptions

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

	15 February 2018	30 January 2017
Share price at grant date	$1.84	$3.73
Expected life	4 years	4 years
Expected volatility	35%	35%
Dividend yield	6.83%	4.7%
Risk-free interest rate	2.19%	1.95%

Notes to the Consolidated Financial Statements

for the year ended 30 June 2018

c) Reconciliation

The reconciliation of outstanding rights is shown the following table:

	Number of rights	
Performance Rights reconciliation	**2018**	**2017**
Rights outstanding as at 1 July	689,766	300,358
Rights granted	611,110	389,408
Rights forfeited	–	–
Rights lapsed	(88,552)	–
Rights exercised	–	–
Rights outstanding as at 30 June	**1,212,324**	**689,766**
Rights exercisable as at 30 June	**–**	**–**

34. Subsequent event

Dividends

The Directors have declared a final dividend of 4 cents per share (fully franked) scheduled to be paid on 31 October 2018. The record date to determine entitlement to dividend is 28 September 2018.

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 2018.

Directors' Declaration

1. In the opinion of the Directors of Cabcharge Australia Limited (**Company**):
   a. the Consolidated Financial Statements and Notes set out on page 68 to 108, and the Remuneration Report in the Directors' Report, set out on page 46 to 65, are in accordance with the *Corporations Act 2001*, including:
      i. giving a true and fair view of the consolidated entity's financial position at 30 June 2018 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 24 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 2018

Andrew Skelton
Managing Director

28 August 2018

Independent Auditor's Report

KPMG

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 2018 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 2018
- 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.

KPMG

Key Audit Matters

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

- Valuation of Taxi Plate licences
- Valuation of Goodwill

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

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

Valuation of Taxi Plate licences at 30 June 2018 ($17.5m)

Refer to Note 13 to the Financial Report

The key audit matter

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.

How the matter was addressed in our audit

Our procedures included:

- Working with our valuation specialists, we challenged the valuation assumptions used to value the taxi plate licences. 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 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 licences. 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 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.

KPMG

Valuation of Goodwill at 30 June 2018 ($25.1m)

Refer to Note 14 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 procedures. • Working with our valuation specialists, we independently assessed and challenged the Group's discount rate against publicly available data of group 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 goodwill, by comparing these disclosures to our understanding of the matter and accounting standard requirements.

KPMG

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 will 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 and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. 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 and Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report (continued)

KPMG

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 the 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_responsibilities/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 2018, 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 47 to 65 of the Directors' report for the year ended 30 June 2018.

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

KPMG

KPMG

Julie Cleary
Partner
Sydney

28 August 2018

Shareholder Information

The information below was prepared as at 10 September 2018.

20 largest shareholders

Name	Number of shares held	% of issued capital
HSBC Custody Nominees (Australia) Limited	40,990,615	34.04
J P Morgan Nominees Australia Limited	14,154,603	11.75
Citicorp Nominees Pty Ltd	12,946,498	10.75
Pershing Australia Nominees Pty Ltd	8,980,676	7.46
National Nominees Limited	3,782,076	3.14
Swan Taxis Pty Ltd	2,631,004	2.18
Legion Cabs (Trading) Co-Operative Society Limited	1,750,000	1.45
BNP Paribas Nominees Pty Ltd	1,215,973	1.01
Prudential Nominees Pty Ltd	1,000,000	0.83
UBS Nominees Pty Ltd	825,194	0.69
BNP Paribas Noms Pty Ltd	758,130	0.63
Sandhurst Trustees Limited	580,000	0.48
Ms Faby Fielan Chong	525,487	0.44
National Exchange Pty Ltd	500,000	0.42
Mr Raymond John Meredith	303,702	0.25
Paden Valley Investments Pty Ltd	301,585	0.25
Akat Investments Pty Ltd	250,000	0.21
Mr Ian Alexander Armstrong	233,212	0.19
Mrs Marianne Parass	220,000	0.18
Mrs Maryla Hudson	212,769	0.18
Total	**92,161,524**	**76.53**

Substantial shareholders

Name	Number of shares held	% of issued capital
Spheria Asset Management	12,976,611	10.8
Investors Mutual	11,983,577	10.0
ComfortDelGro	11,611,680	9.6
Edgbaston Investment Partners	9,348,551	7.8
Dimensional Fund Advisors	7,102,716	5.9

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 2001*, in each case as at 10 September 2018.

Shareholder Information (continued)

Spread of shareholders

Holding	Number of shareholders	Number of shares held	% of issued capital
1 – 1,000	1,817	991,600	0.82
1,001 – 5,000	1,905	5,079,396	4.22
5,001 – 10,000	611	4,289,948	3.56
10,001 – 100,000	596	15,632,361	12.98
100,001 and over	41	94,437,378	78.42
Total	**4,970**	**120,430,683**	**100**

445 shareholders hold less than a marketable parcel of shares in the Company based on the closing market price on 10 September 2018.

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.

Corporate Directory

Annual General Meeting

The 2018 Annual General Meeting of the shareholders of Cabcharge Australia Limited will be held at 11.00am on Thursday 22 November 2018 in the Heritage Ballroom, The Westin Sydney.

Full details will be provided in the Notice of Meeting.

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Adrian Lucchese

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