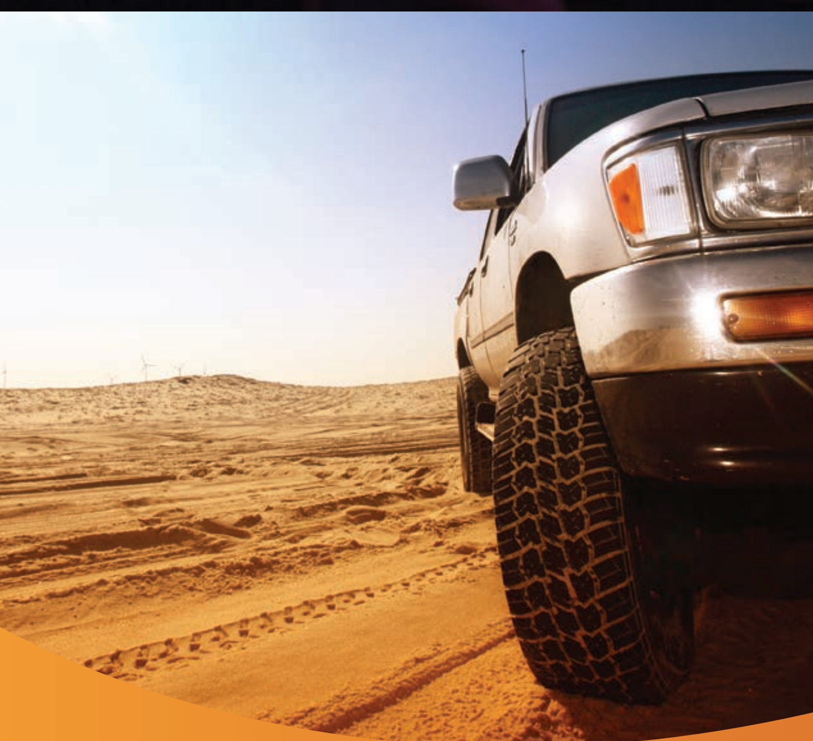
Annual Report
2014






SG Fleet Group Limited
ABN 40 167 554 574

Contents

About SG Fleet

SG Fleet Group Limited is one of Australia's leading specialist providers of fleet management, vehicle leasing and salary packaging solutions. SG Fleet has a presence across Australia, New Zealand and the United Kingdom. The company employs over 400 staff and has approximately 84,000 vehicles under management. SG Fleet listed on the Australian Securities Exchange in March 2014.

SG Fleet offers an extensive range of fleet management, leasing and salary packaging solutions to corporate and government customers, as well as heavy commercial fleet management and leasing services. Salary packaging solutions provided by the company include novated leases and associated vehicle management services for customers' employees.

The company has a unique position in the marketplace, built on the experience, product expertise and commitment of its team. SG Fleet prides itself on the strength of its relationships with blue chip corporate and government customers. These relationships are based on a customer-centric approach to service delivery and the development of bespoke yet scalable solutions to meet the needs of individual customers.

Constant innovation allows SG Fleet to provide its customers with an industry-leading proprietary technology platform that enables highly advanced fleet management capabilities. The company strives to continually upgrade its solutions and introduce additional products and services to its range.

End-to-end Fleet Management

Vehicle price quoting, sourcing and delivery

Our buying power and supplier relationships ensure our customers receive the right vehicle at the right time and at the right price.

Best in market

People – Skills – Knowledge – Technology: SG Fleet's unique ability to provide integrated fleet management services is built on the quality of its team and the company's culture of continuous innovation. We are able to offer best in market services at every step of the vehicle life cycle, from sourcing to disposal, through maintenance and administration management.

Vehicle disposal

Our in-house vehicle disposal team ensures we can determine the best method for disposal, using our own vehicle centres and wholesale relationships.

Contract close-down

We proactively manage the contract life cycle by facilitating vehicle returns, end of lease settlements and vehicle replacement planning.

Reporting and invoicing

A market-leading suite of vehicle management and utilisation reporting options provides our customers with on-demand analysis and review tools.

Funding

We provide a range of fully approved operating and finance lease funding options for our customers.

Maintenance management

By utilising our access to a national network of maintenance suppliers, we ensure vehicles are operated safely and maintenance costs are appropriately managed.

Fuel and toll management

We tailor fuel management programs to our customers' specific requirements and offer a convenient toll usage reporting framework.

Registration and infringement management

We arrange vehicle registrations and renewals and offer various levels of infringement management services, including driver identification and utilisation reporting.

Roadside assistance and accident management

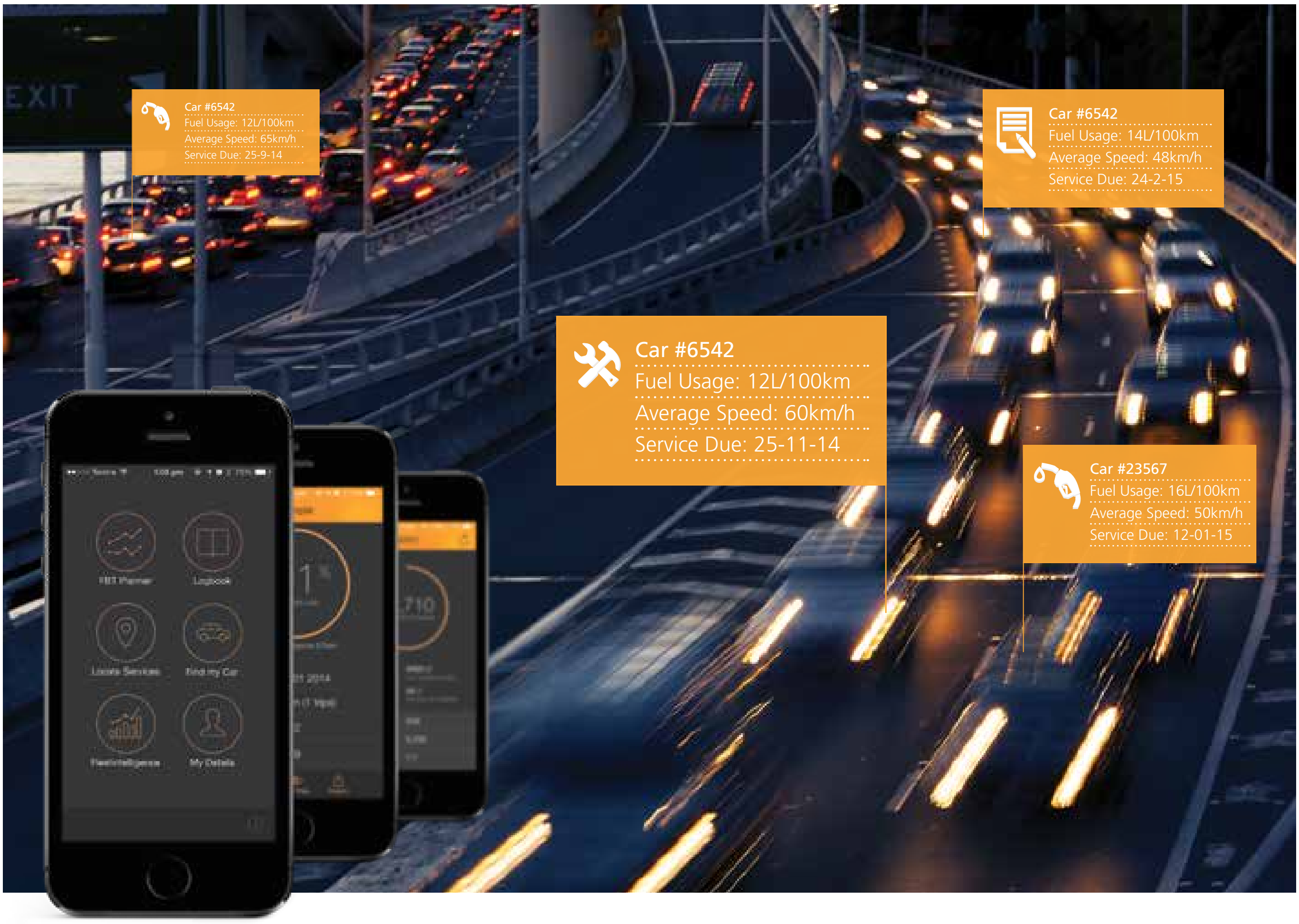
Arrangements with outsourced providers allow us to ensure roadside services are on call 24/7 and vehicles are repaired and back on the road without delay.

Contract revisions

As part of our active fleet management approach, we revise contracts to help our customers manage fleet costs by optimising actual vehicle utilisation.

Vehicle Leasing

SG Fleet offers a number of vehicle leasing solutions as part of its corporate fleet management services, as well as salary-packaged novated leases for employees of a range of corporate and government customers. These arrangements can be financed through an operating or a finance lease and are tailored to suit various needs. They ensure customers and drivers can enjoy the benefits of a leased vehicle at an optimal cost, managed by a leading specialist provider they can rely on throughout the life of the lease.



Fleet Optimisation

SG Fleet offers a range of sophisticated proprietary technology platforms and service packages that provide customers with the ability to analyse vehicle utilisation data, guide driver behaviour and optimise the use of their fleets.

Fleetintelligence

This state-of-the-art technology product is used by internal and external fleet managers, customers and drivers to access key fleet information. Fleetintelligence allows users to undertake on-line vehicle management transactions and provides a large suite of reporting options.

Bookingintelligence

Administration and management of resources is facilitated by this web-based solution. Users can book resources, such as vehicles, for temporary use and administrators can allocate these resources in an efficient manner to optimise asset utilisation.

Driversafety Intelligence

Individual risk assessments, based on driver experience and business travel requirements, are utilised to develop individual, relevant and focused on-line training, addressing a range of vehicle, environmental and driving risks. This yields both employee safety and vehicle utilisation benefits.

In-Vehicle Asset Management

Telematic tools allow fleet managers to monitor, maintain and communicate with their vehicle fleet via a desktop application. A complete reporting suite creates a real-time integrated fleet management functionality.

Chairman's Report

The Board has declared a FY2014 final dividend of 4 cents per share, fully franked, in respect of the reported period. This dividend will be paid on 29 October 2014 to shareholders entitled to receive dividends and registered on the record date of 8 October 2014.

Dear Shareholder

I am delighted to present the SG Fleet Group Limited Annual Report to you for the period ended 30 June 2014, our first as a listed entity.

This report will provide you with information about our financial performance for the four-month period from 6 March 2014, the date on which SG Fleet Group Limited commenced trading, until 30 June 2014. During this period, we have met and in fact exceeded our Prospectus net profit forecast in what has been a challenging operating environment. It is pleasing that your Board has confirmed a fully franked dividend of 4 cents per share, as foreshadowed in the Prospectus.

Looking ahead, the positive structural trends that underpin demand for our products and services in the longer term continue unimpeded. While the fleet leasing market has grown over time, Australia is still materially lagging more mature markets such as the UK and the US in terms of penetration of outsourced fleet management services.

We continue to see more and more first time outsourcers coming to the market as they recognise that fleet management is not one of their core competencies. They increasingly appreciate the benefits that our exceptional asset management expertise can bring to their organisations.

Increasingly, corporates and employers tap into our vehicle leasing expertise to structure arrangements that suit their fleet and salary packaging needs. Continuous innovation is one of our key differentiators and we have again led from the front with the launch of new products and technology that help optimise our customers' fleets from a cost and utilisation perspective.

We have a strong market position across both the corporate and the salary packaging space and this diversified business model creates multiple revenue and growth opportunities. It also helps us manage risk, such as the disruptions in the novated business last year. Our growth is built on a high quality, diverse customer base across governments and corporates. In many cases, customers have been with us for more than a decade and the strength of our government relationships is exceptional.

These competitive advantages are also applied by our businesses in the United Kingdom and New Zealand. In the UK, the general business climate has been more positive than at any other time post-GFC. The fleet leasing industry is growing again, particularly in the salary sacrifice segment, where we are now offering a unique and attractive proposition built around our Australian expertise in this area. In New Zealand, the market is stable to positive and we intend to take full advantage of our relationships with major financial institutions to generate attractive business leads.

In summary, our performance relative to our Prospectus forecast confirms the appeal of the industry in which we operate, the strengths of your Company and our potential for further success in coming years.

We have an experienced Board in place and the collective expertise of our Directors will be a great asset on our journey. I would also like to acknowledge the support of Super Group, our majority shareholder.

I encourage you to read the Chief Executive Officer's Report in this document, which provides an overview of business developments as well as detailed financial information.

I would like to take this opportunity to thank you, our shareholders, for your support in what has been an exciting year for your Company, one in which we have made the transformation into a listed entity and taken the first steps towards further growth. I also welcome our Directors and thank the leadership team and our staff for their efforts throughout the period.

Andrew Reitzer
Chairman

Dear Shareholder

It gives me pleasure to report on SG Fleet Group Limited's maiden financial performance for the period ended 30 June 2014.

My commentary applies to our performance during the period from 6 March 2014, when we started trading as SG Fleet Group Limited, to 30 June 2014. Throughout my report, I will compare our reported results with the pro forma financial figures that have been prepared as if we had traded as SG Fleet Group Limited for the full financial year, so that I am consistent with the pro forma statement contained in our Initial Public Offering Prospectus. You will find both statutory and pro forma figures summarised in the tables contained in this document.

Group result

Your Company has continued to trade well through the final months of the reported period. We are pleased to have been admitted to the Australian Securities Exchange on 4 March 2014, a very significant event in our evolution.

For the period, we reported total revenue of $156.5 million, less than 1% below our Prospectus forecast. As a result of lower than forecast expenses (at $105.7 million vs. $107.3 million forecast), we achieved a better than forecast profit before tax of $50.8 million (vs. $50.2 million forecast). The lower than expected expenses were primarily due to lower fleet running costs. At the net profit after tax level, we exceeded our forecast by 1.4% to record a $35.4 million profit.

Relative to the 2013 financial year, the 0.3% decline in revenue and 5.9% decline in net profit after tax are due to the temporary disruption in the novated segment as a result of the Labor Government's Fringe Benefits Tax ('FBT') proposal in July 2013.

Total revenue reflects growth that has resulted from the roll-on of a number of fleet management contracts that were won over the last few years. It is usual for vehicles to roll on to our fleet over a period of time after contract wins.

New deliveries of vehicles during the period have been somewhat slower than budgeted internally as a result of a higher volume of extensions, where - rather than replacing vehicles - customers opt to retain vehicles already in their fleet for a period beyond the initial term of the lease. The Federal Budget in May also impacted delivery volumes as certain customers delayed activity until the Budget's announcement. Activity has now returned to normal levels, however tenders are taking longer to come to a conclusion.

Management and maintenance income of $59.8 million for the period is 1.4% higher than forecast. This was primarily driven by a higher than forecast average maintenance income per unit.

Insurance income contributed towards revenue from additional products and services exceeding the Prospectus forecast by 2.7%, at $41.7 million.

Funding commissions revenue was lower than forecast, at $23.6 million, as a result of the lower than forecast deliveries referred to above.

End of lease income, at $12.7 million, was 1.6% higher than forecast. This was despite an increase in formal contract extensions resulting in a smaller number of vehicles being returned, again partially because of the slowdown pre-Budget and a relatively uncertain economic climate. While overall residual values have continued to come off as previously foreshadowed, average gross profit achieved per vehicle was higher than forecast, compensating for the lower number of vehicles returned.

Lower than forecast rental income (at $12.2 million vs. $13.1 million forecast) is predominantly the consequence of fewer vehicles going into inertia, which generates rental income, because their contracts are instead being formally extended.

At $6.5 million, other income was 13.3% below forecast. This was driven by lower Early-Termination fee income, which is linked to the higher level of extensions, lower interest income on cash balances, as well as lower fleet projects income.

Chief Executive Officer's Report

Business development

The contract tender pipeline remains very full, with a number of large and exciting opportunities currently in the market. The Company's tender win percentages were well in excess of its estimated market share during the reported period and we remain confident of continuing this trend with the same differentiated offering that has delivered success in the past. However, we remain selective and will only tender for contracts where we see a clear business benefit.

In addition, we continue to focus on converting new entrants to our outsourced model. We are also making progress in converting fleet management customers to full leasing services. Key to this is developing our understanding of customers' needs and our ability to respond to those needs. For that purpose, we are investigating the introduction of a new service quality measurement model.

Major progress has also been made with government contracts in the past period and our government clients remain highly satisfied with our offering. In our view, the recent Budget has confirmed that the Federal Government is increasingly focusing on a more efficient management of its assets, and we are seeing a similar pattern at State level. We feel the Company can assist governments with their cost control agenda by providing more efficient fleet management.

We are looking at a number of options to deepen our relationships with government clients and see opportunities for our novated lease business emerging on the back of these relationships.

Increased penetration of existing customers is a constant in all of our marketing efforts, and we are taking full advantage of the duration and strength of customer relationships to introduce a suite of after-market products to the corporate market.

United Kingdom and New Zealand

Last year, the UK business was re-shaped to focus on winning and managing customers on a direct basis. We have completed our move out of the broker market in the corporate segment, which has seen a significant improvement in the profitability and risk profile of the business.

We remain focussed on further developing our burgeoning salary sacrifice and tool-of-trade client bases by offering differentiated products and services. Our salary sacrifice product is unique in the UK market place and has led to a number of wins in the corporate and public sector markets. The market for salary sacrificed vehicles is growing strongly and we have a healthy pipeline of opportunities.

Our tool-of-trade product in the UK is being well accepted with a number of promising wins in the mid-tier corporate market.

Looking ahead, the key to further progress in the UK is execution of our strategic focus and the building of further critical mass.

The New Zealand opportunities pipeline has seen unprecedented growth and we are confident of maintaining a healthy conversion rate. In particular, our good relationship with major financial institutions is providing the Company with sizeable, attractive opportunities.

> " We have a strong market presence across the corporate and salary packaging segments and we have core expertise in all the areas we choose to operate in. We lead the way in products and services innovation, and we have built a high quality, diverse customer base across both governments and corporates. "

Innovation

In all our businesses and geographies, technology and continued innovation allow us to create a strong differentiator for our customer proposition. Our aim is to improve the quality and width of our offering to customers. In doing so, we strengthen our relationships by penetrating the customer further with new products. We also create additional income streams.

Examples of this include our In-Vehicle Asset Management capability, as well as a number of Work Health and Safety applications, which continue to be upgraded on a regular basis. These products have already been introduced to major customers and the response has been very positive.

Regulatory environment

Prior to the Federal election, the Coalition Opposition took a strong stance against the Labor Government's proposal to change FBT legislation as it relates to motor vehicles. The new Government has since reiterated its support for our industry, as demonstrated by the absence of any related measures in the Federal Budget. Novated volumes have now recovered and we do not expect any further measures that will impact our 2015 financial year forecasts.

The industry is also monitoring developments regarding new and second hand vehicle import tariffs. In our view, the abolishment of such tariffs is unlikely to cause a material decline in new vehicle prices or lead to mass imports that could materially impact the residual value of used vehicles. As such, we see little effect on our business.

Outlook

We are pleased to have exceeded our profit forecasts and we believe further success will be achieved by taking full advantage of our unique customer proposition.

We have a strong market presence across the corporate and salary packaging segments and we have core expertise in all the areas we choose to operate in. We lead the way in products and services innovation, and we have built a high quality, diverse customer base across both governments and corporates.

In terms of our financial health, our financial position is strong, with zero net gearing.

In the context of an underpenetrated market, scope for further improvement of customer service and internal processes, as well as a strong opportunity conversion rate and highly visible fee-based revenue streams, we remain confident of achieving the 2015 financial year forecasts as disclosed in our Prospectus.

I would like to thank my executive as well as all members of our team for their contributions to our success this year. It has been an important year in the life of SG Fleet. We have welcomed our shareholders and we are now fully focused on retaining your support by growing our business and providing attractive returns.

Robbie Blau
Chief Executive Officer

Pro forma adjustments to the statutory income statement

Table 1 below sets out the adjustment to the Statutory Results for 2013 and 2014 to primarily reflect the acquisitions that SG Fleet Group Limited has made since 1 July 2013 as if they had occurred as at 1 July 2013 and the full year impact of the operating and capital structure that is in place following completion of the Initial Public Offering ('IPO') as if it was in place as at 1 July 2013. In addition, certain other adjustments to eliminate non-recurring items have been made. These adjustments are summarised below:

Table 1 – Pro forma adjustments to the consolidated income statements for the financial year ended 30 June 2013 and 30 June 2014

	Consolidated	
	30 Jun 2014 $m	30 Jun 2013 $m
Statutory revenue	**165.7**	**157.0**
Interest income	(1.1)	-
Exit fees	(8.1)	-
Pro forma revenue	**156.5**	**157.0**
Statutory NPAT	**34.9***	**33.5**
RPS interest	2.5	4.9
Management fees	0.6	0.6
Listed public company costs	(1.1)	(1.81)
Interest income	(1.1)	-
Exit fees	(8.1)	-
Bonus shares and bonus payment	4.7	-
Transaction costs	0.5	-
Income tax effect	2.5	0.4
Pro forma NPAT	**35.4**	**37.6**

* The statutory NPAT of $34.9 million comprised the statutory NPAT of SG Fleet Holdings Pty Limited and its subsidiaries for the period 1 July 2013 to 5 March 2014 of $19.3 million aggregated with the statutory NPAT of SG Fleet Group Limited and its subsidiaries for the period 6 March 2014 to 30 June 2014 of $15.6 million.

Pro forma consolidated income statements: Financial year ended 30 June 2014 compared to financial year ended 30 June 2013

The pro forma consolidated income statement for the financial year ended 30 June 2014 has been prepared on the same basis as the pro forma consolidated financial income statement for the year ended 30 June 2013 published in the SG Fleet Group IPO prospectus issued in February 2014.

Table 2 below sets out the pro forma consolidated income statement for the financial year ended 30 June 2014 compared to the pro forma consolidated income statement for the financial year ended 30 June 2013.

Table 2 – Pro forma consolidated income statements: financial year ended 30 June 2014 compared to financial year ended 30 June 2013

	Consolidated 30 Jun 2014 $m	Consolidated 30 Jun 2013 $m	Change %	Prospectus forecast 30 Jun 2014 $m
Revenue				
- Management and maintenance income	59.8	55.9	7.0	59.0
- Additional products and services	41.7	41.9	(0.5)	40.6
- Funding commissions	23.6	21.2	11.3	24.8
- End of lease income	12.7	14.9	(14.8)	12.5
- Rental income	12.2	12.3	(0.8)	13.1
- Other income	6.5	10.8	(39.8)	7.5
Total revenue	**156.5**	**157.0**	**(0.3)**	**157.5**
Fleet management costs	(38.6)	(36.7)	(5.2)	(39.5)
Employee benefits expense	(42.7)	(41.3)	(3.4)	(42.7)
Occupancy costs	(4.1)	(3.5)	(17.1)	(4.1)
Technology costs	(2.9)	(2.9)	-	(2.9)
Other expenses	(6.4)	(6.4)	-	(6.6)
Depreciation and amortisation	(6.8)	(7.8)	12.8	(7.4)
Finance costs	(4.2)	(4.5)	6.7	(4.1)
Profit before tax	**50.8**	**53.9**	**(5.8)**	**50.2**
Income tax expense	(15.4)	(16.3)	5.5	(15.3)
NPAT	**35.4**	**37.6**	**(5.9)**	**34.9**

Summary key operating metrics

Table 3 – Summary key operating metrics: financial year ended 30 June 2014 compared to financial year ended 30 June 2013

	Consolidated 30 Jun 2014	Consolidated 30 Jun 2013	Change	Prospectus forecast 30 Jun 2014
Fleet size (end of period)	*83,837*	*80,757*	*3.8%*	*84,773*
Key financial metrics				
- NPAT growth	(5.9)%	59.3%		(7.2)%
- NPAT margin	22.6%	23.9%		22.2%

Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of SG Fleet Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the period ended 30 June 2014.

Directors

The names and particulars of the Directors of the Company during or since the end of the period are:

Andrew Reitzer (Chairman)
(appointed 12 February 2014)

Robbie Blau (appointed 15 January 2014)

Cheryl Bart AO (appointed 15 January 2014)

Graham Maloney (appointed 15 January 2014)

Peter Mountford (appointed 12 February 2014)

Kevin Wundram (alternate for Robbie Blau)
(appointed 24 June 2014)

Colin Brown (alternate for Peter Mountford)
(appointed 27 February 2014)

Details of the Directors are set out in the section 'Information on Directors' below.

Principal activities

During the financial period the principal activities of the Group consisted of motor vehicle fleet management and salary packaging services.

Dividends

On 18 August 2014, the Directors declared a fully-franked dividend of four cents per ordinary share. The final dividend will be paid on 29 October 2014 to shareholders registered on 8 October 2014. The financial effect of dividends declared after the reporting date are not reflected in the 30 June 2014 financial statements and will be recognised in subsequent financial reports.

Review of operations

The profit for the Group after providing for income tax amounted to $15,620,000.

The Company was incorporated on 15 January 2014 and commenced trading on 6 March 2014. Therefore the Group's trading results are for the four month period from 6 March 2014 to 30 June 2014.

Refer to Chairman's Report and Chief Executive Officer's Report for further commentary on the review of operations.

Significant changes in the state of affairs

The Company was incorporated on 15 January 2014 and listed on the Australian Securities Exchange ('ASX') on 4 March 2014, with the code SGF.

On 6 March 2014, the Company raised $188,595,000 by issuing 101,943,359 ordinary shares in an Initial Public Offering ('IPO'). Effective 6 March 2014 (the acquisition date) the Company acquired 100% of the issued capital of SG Fleet Holdings Pty Limited and its subsidiaries.

There were no other significant changes in the state of affairs of the Group during the financial period.

Matters subsequent to the end of the financial period

Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Likely developments in the operations of the Group and the expected results of those operations are contained in the Chairman's Report and Chief Executive Officer's Report.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on Directors

Andrew Reitzer
(appointed 12 February 2014)
Independent Non-Executive Director and Chairman

Qualifications:
Bachelor of Commerce and a Master of Business Leadership from the University of South Africa

Experience and expertise:
Andrew has over 35 years of global experience in the retailing and wholesaling industry. He has served as the Chief Executive Officer ('CEO') of Metcash Limited between 1998 and 2013, and continues as a consultant. Prior to his appointment as CEO of Metcash, Andrew held various management roles at Metro Cash & Carry Limited and was appointed to lead the establishment of Metro's operations in Israel and Russia and served as the Group Operations Director.

Other current directorships:
None

Former directorships (last 3 years):
Metcash Limited (ASX: MTS) (resigned 30 June 2013)

Special responsibilities:
Chairman of the Nomination and Remuneration Committee

Interests in shares:
81,081 ordinary shares in the Company

Robert (Robbie) Blau
(appointed 15 January 2014)
Chief Executive Officer ('CEO')

Qualifications:
Bachelor of Commerce (Accounting and Law), Bachelor of Laws (Cum Laude) from the University of the Witwatersrand, Higher Diploma in Tax Law from Johannesburg University

Experience and expertise:
Robbie was appointed CEO of SG Fleet in July 2006 and has over 10 years of experience in the fleet management and leasing industry. Robbie has overall responsibility for the strategic development of the Group and manages its relationships with financial services partners. Previously, Robbie was Managing Director of Nucleus Corporate Finance in South Africa, which he founded in 1999. During his time at Nucleus Corporate Finance, Robbie advised South African listed entity Super Group Limited on corporate advisory and strategic projects. He also spent a year working with the Operations Director of South African Breweries Limited and practised as a commercial attorney for five years at Werksmans Attorneys in South Africa.

Other current directorships:
None

Former directorships (last 3 years):
None

Special responsibilities:
None

Interests in shares:
6,756,425 ordinary shares in the Company

Cheryl Bart AO
(appointed 15 January 2014)
Independent Non-Executive Director

Qualifications:
Bachelor of Commerce and Bachelor of Laws from the University of New South Wales, Fellow of the Australian Institute of Company Directors

Experience and expertise:
Cheryl is a qualified lawyer and company director with experience across industries including financial services, utilities, energy, television and film. She was awarded the Order of Australia in the Australia Day Honours in January 2009. Cheryl previously worked as a lawyer specialising in Banking and Finance at Mallesons Stephen Jaques (now King & Wood Mallesons). Cheryl is immediate past Chairman of ANZ Trustees Ltd, the Environment Protection Authority of South Australia, the South Australian Film Corporation, Adelaide Film Festival and the Foundation for Alcohol Research and Education (FARE). She is the 31st person in the world to complete The Explorer's Grand Slam, and is a Patron of SportsConnect.

Other current directorships:
Australian Broadcasting Corporation (ABC), Spark Infrastructure Ltd, South Australian Power Networks, Audio Pixels Holdings Limited (ASX: AKP), Football Federation of Australia (FFA), Local Organising Committee 2015 Australia Asian Cup and the Australian Himalayan Foundation.

Former directorships (last 3 years):
None

Special responsibilities:
Member of the Audit, Risk and Compliance Committee and member of the Nomination and Remuneration Committee

Interests in shares:
27,027 ordinary shares in the Company

Graham Maloney
(appointed 15 January 2014)
Independent Non-Executive Director

Qualifications:
Bachelor of Arts from the University of Sydney, Associate of the Institute of Actuaries of Australia, Fellow of the Australian Institute of Company Directors

Experience and expertise:
Graham has over 40 years of experience in financial services, including superannuation, life insurance, commercial banking, investment banking and stock broking. He is the CEO of Stratagm, which he established in 2009 to provide strategic and financial advisory services to both businesses and individuals. Graham's experience includes roles as Division Director at Macquarie Capital and as Group Treasurer at National Australia Bank.

Other current directorships:
Director of SFG Australia (ASX: SFW), Chair, Connective Group

Former directorships (last 3 years):
None

Special responsibilities:
Chairman of the Audit, Risk and Compliance Committee

Interests in shares:
27,027 ordinary shares in the Company

Peter Mountford
(appointed 12 February 2014)
Non-Executive Director

Qualifications:
Bachelor of Commerce and Bachelor of Accountancy from the University of the Witwatersrand, Chartered Accountant, Higher Diploma in Taxation from the University of Witwatersrand and MBA (With Distinction) from Warwick University

Experience and expertise:
Peter is the nominee for Super Group Limited, has over 20 years of senior management experience and currently serves as the CEO of Super Group Limited since 2009. Prior to becoming the CEO of Super Group, he served as the Managing Director of Super Group's Logistics and Transport division and later its Supply Chain division. Peter's experience also includes six years as the CEO of Imperial Holdings' Consumer Logistics division and as Managing Director of South African Breweries Diversified Beverages. He is currently a Director of The Road Freight Association in South Africa.

Other current directorships:
Super Group Limited (JSE: SPG)

Former directorships (last 3 years):
None

Special responsibilities:
Member of the Audit, Risk and Compliance Committee and member of the Nomination and Remuneration Committee

Interests in shares:
540,540 ordinary shares in the Company

Kevin Wundram
(appointed Alternate Director on 24 June 2014)
Alternate Director for Robbie Blau and Chief Financial Officer ('CFO')

Qualifications:
Bachelor of Commerce from the University of the Witwatersrand, Honours Bachelor of Accounting Science degree from the University of South Africa, Chartered Accountant

Experience and expertise:
Kevin has been CFO of SG Fleet Group since July 2006 and has 10 years of experience in the fleet management and leasing industry. He is responsible for the effective management of the finance, treasury and corporate governance functions across the Group. Prior to joining the Group, Kevin was responsible for special projects at Super Group Limited, including the execution of acquisitions, disposals and due diligence. Kevin was also a member of the management committees of the Automotive Parts, Commercial Dealerships and Supply Chain Divisions. Prior to joining Super Group, Kevin worked in the audit and corporate finance divisions of KPMG South Africa for six years.

Other current directorships:
None

Former directorships (last 3 years):
None

Special responsibilities:
None

Interests in shares:
1,863,840 ordinary shares in the Company

Colin Brown
(appointed Alternate Director on 27 February 2014)
Alternate Director for Peter Mountford

Qualifications:
Bachelor of Accounting Science degree from the University of South Africa ('UNISA'), Honours Bachelor of Accounting Science degree from UNISA, Certificate in the Theory of Accounting from UNISA, Chartered Accountant (South Africa), Master in Business Leadership degree from the UNISA School of Business Leadership

Experience and expertise:
Colin provided support services to Super Group Limited's treasury activities in Johannesburg from June 2009 to February 2010, and was appointed to the Super Group Limited's board as CFO in February 2010. Prior to that, Colin was CFO and a member of the board of Celcom Group Limited, a business in the mobile phone industry and previously listed on the Alternative Exchange ('AltX') of the Johannesburg Stock Exchange ('JSE'). Colin has also held the Financial Director position at Electronic Data Systems ('EDS') Africa Limited and Fujitsu Services South Africa, both multi-national companies in the information technology services industry.

Other current directorships:
Super Group Limited (JSE: SPG), Bluefin Investments Limited (Mauritius)

Former directorships (last 3 years):
None

Special responsibilities:
None

Interests in shares:
108,108 ordinary shares in the Company

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

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

Company secretary

Julianne Lyall-Anderson LLB (Hons), Grad Dip Legal Practice, has 18 years' experience as a Company Secretary. Prior to joining the Group, Julianne was Group Company Secretary at McWilliam's Wines Group Limited, Wattyl Limited and Dyno Nobel Limited. Julianne was appointed Group Company Secretary on 24 June 2014.

Kevin Wundram was appointed as Company Secretary on 15 January 2014 and resigned on 24 June 2014. Refer to 'Information on Directors' above for details of Kevin's experience and expertise.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the period ended 30 June 2014, and the number of meetings attended by each Director were:

	Board of Directors		Audit, Risk and Compliance Committee		Nomination and Remuneration Committee	
	Attended	Held	Attended	Held	Attended	Held
Andrew Reitzer	5	5	–	–	2	2
Robbie Blau	5	5	–	–	–	–
Cheryl Bart AO	5	5	1	1	2	2
Graham Maloney	5	5	1	1	–	–
Peter Mountford	5	5	1	1	2	2

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

Kevin Wundram and Colin Brown did not attend any meetings in their capacity as an Alternate Director during the financial period.

Remuneration report (audited)

The remuneration report, which has been audited, details the Key Management Personnel ('KMP') remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

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

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The main role of the Nomination and Remuneration Committee is to assist the Board in fulfilling its corporate governance responsibilities and to review and make recommendations in relation to the remuneration arrangements for its Directors and executives. The Nomination and Remuneration Committee comprises two independent Non-Executive Directors and one Non-Executive Director and meets regularly throughout the financial period. The CEO and CFO attend certain committee meetings by invitation, where management input is required. The CEO and CFO are not present during any discussions related to their own remuneration arrangements.

The performance of the Group depends on the quality of its Directors and executives. The remuneration philosophy is to attract, motivate and retain high performing, quality executives.

In consultation with external remuneration consultants (refer to the section 'Use of remuneration consultants' below), the Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design;
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracts and retains high calibre executives.

Alignment to executives' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth; and
- provides a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of Non-Executive Directors and executive remunerations are separate.

Non-Executive Directors' remuneration

Fees and payments to Non-Executive Directors reflect the demands that are made on, and the responsibilities of these Directors. Non-Executive Directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of other Non-Executive Directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration. Non-Executive Directors do not receive retirement benefits, share options or other cash incentives.

The remuneration of Non-Executive Directors consists of Directors' fees and committee fees. The Chairman of the Board attends all committee meetings but does not receive committee fees in respect of his role as Chairman or member of any committee.

Non-Executive Director fees (Directors' fees and committee fees) (inclusive of superannuation) proposed for the year ending 30 June 2015, amounting to $445,000 is summarised as follows:

Name – Position	FY 2015 Fees
Andrew Reitzer – Independent Non-Executive Chairman	$165,000
Cheryl Bart AO – Independent Non-Executive Director	$92,500
Graham Maloney – Independent Non-Executive Director	$95,000
Peter Mountford – Non-Executive Director	$92,500

The total aggregate Non-Executive Directors fees have been fixed at $1,000,000 per annum.

Executive remuneration

The Group aims to reward executives with a level and mix of remuneration based on their position and responsibility, which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base salary and non-monetary benefits;
- short-term performance incentives;
- share-based payments; and
- other remuneration, such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Total Fixed Remuneration ('TFR') consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee, based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the targets of those executives responsible for meeting those targets. STI payments are granted to executives based on specific annual targets. A performance modifier applies in relation to award of the short-term incentive. For an executive to receive payment under the STI program, their performance has to be regarded as entirely satisfactory. Where an executive is regarded as below competent, the award under the STI program will be adjusted by the Nomination and Remuneration Committee.

Long-term incentives ('LTI') are set annually for KMP ('Participants') in order to align remuneration with the creation of shareholder value over the long term. LTI include long service leave and share-based payments.

LTI to Participants are made under the Equity Incentive Plan ('EIP') and are currently delivered in the form of share options. The number of options granted will be based on a fixed percentage of the relevant Participant's TFR and will be issued to the Participant at no cost.

For the period ended 30 June 2014, KMP were granted options to the value of their maximum LTI opportunity. Each option was granted with an exercise price of $1.85 (the IPO Offer Price for the shares).

Options granted to the CEO and other KMP vest subject to the satisfaction of performance conditions. The performance conditions will be tested over a performance period of at least 3 years, with no opportunity for re-test. The performance conditions must be satisfied in order for the options to vest and become exercisable.

For the 2014 LTI offer, the relevant performance period commences at the date of the Group's listing on 4 March 2014 and concludes on 30 June 2017, a period of 39 months ('the Performance Period'). The performance conditions for the 2014 LTI offer will be based on the compound annual growth rate ('CAGR') of the Group's earnings per share ('EPS'). The performance period and applicable performance conditions for any future LTI opportunities will be determined by the Board and specified in the relevant offer document.

The percentage of options that vest and become exercisable, if any, will be determined by reference to the vesting schedule, summarised as follows:

CAGR of EPS over the Performance Period	% of options that become exercisable
Less than 5%	Nil
5% (Threshold performance)	30%
Between 5% and 15%	Straight-line pro-rata vesting between 30% and 100%
15% or above (Stretch performance)	100%

Any options that remain unvested at the end of the Performance Period will lapse immediately. The Participant must exercise any vested options within 12 months of vesting. After 12 months, any unexercised options will lapse. The Participant will be entitled to receive one share for each option that vests and is exercised. The Board may make an equivalent cash payment in lieu of providing shares to the participant. Any cash payment is at the Group's discretion only.

The options do not carry dividends or voting rights prior to vesting and exercise. Participants must not sell, transfer, encumber, hedge or otherwise deal with the options.

The EIP provides the Board with broad 'clawback' powers if, amongst other things, the Participant has acted fraudulently or dishonestly, engaged in gross misconduct or has acted in a manner that has brought the Group into disrepute, or there is a material financial misstatement, or the Group is required or entitled under law or company policy to reclaim remuneration from the Participant, or the Participant's entitlements vest as a result of fraud, dishonesty or breach of obligations of any other person and the Board is of the opinion that the incentives would not have otherwise vested.

If the Participant ceases employment for cause, the unvested options will automatically lapse unless the Board determines otherwise. In other circumstances, the options will remain on foot with a broad discretion for the Board to vest or lapse some or all of the options, the latter of which the Board will ordinarily exercise in the case of resignation.

Where there may be a change of control event, the Board has the discretion to accelerate vesting of some or all of the options and the Board will notify the Participant of the date on which any vested but unexercised options will expire. Where only some of the options are vested on a change of control event, the remainder of the options will immediately lapse.

The EIP also provides flexibility for the Group to grant, subject to the terms of individual offers, performance rights and restricted shares.

Group performance and link to remuneration

The financial performance measure driving STI payment outcomes for the period ended 30 June 2014 was net profit after tax ('NPAT'). Based on the Group's FY 2014 NPAT performance meeting the threshold FY 2014 pro forma forecast NPAT as disclosed in the IPO prospectus, KMP will receive the threshold STI percentage as set out in the service agreement section below. The proportion of the maximum STI awarded to the KMP is at the discretion of the Board.

STI for KMP for the years ending 30 June 2015 and thereafter will be determined on a straight-line basis, based on the Group achieving EPS growth of between 5.0% and 15.0% over the previous financial year. No award will be made if the Group's EPS growth is less than 5.0% over the previous financial year.

The performance measure that drives LTI vesting is the CAGR of the Group's EPS over the relevant performance period. The Group's EPS for the period 6 March 2014 to 30 June 2014 was 9.13 cents per share.

Use of remuneration consultants

During the financial period ended 30 June 2014, the Group engaged Egan Associates ('Remuneration Consultant'), to review its existing remuneration policies and provide recommendations to improve the STI and LTI programs. The Remuneration Consultant was paid $58,905 for these services. Additional services provided by the Remuneration Consultant included other advisory services and the fees for all other services were $12,000. The Remuneration Consultant has confirmed that the remuneration recommendations were made free from undue influence by the Group's KMP.

The Board is satisfied that these protocols were followed and as such there was no undue influence.

Details of remuneration

Amounts of remuneration

Details of the remuneration of the KMP of the Group are set out in the following tables.

The KMP of the Group consisted of the Directors of SG Fleet Group Limited and the following persons:

- Andy Mulcaster – Managing Director, Australia
- David Fernandes – Managing Director, United Kingdom
- Geoff Tipene – Managing Director, New Zealand
- Annie Margossian-Kenny – General Manager, Business Quality

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
Period ended 30 Jun 2014	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Andrew Reitzer (Chairman)	50,329	–	–	4,671	–	–	55,000
Cheryl Bart AO	28,215	–	–	2,619	–	–	30,834
Graham Maloney	31,667	–	–	–	–	–	31,667
Peter Mountford	30,833	–	–	–	–	1,000,000	1,030,833
Colin Brown (Alternate Director)	–	–	–	–	–	200,000	200,000
Executive Directors:							
Robbie Blau (CEO)	205,745	432,000	–	1,475	39,491	59,077	737,788
Kevin Wundram (CFO and Alternate Director)	110,013	192,500	–	761	10,596	24,230	338,100
Other Key Management Personnel:							
Andy Mulcaster	122,863	158,802	–	756	1,879	17,677	301,977
David Fernandes	107,900	125,812	5,734	522	93	13,125	253,186
Geoff Tipene	57,183	127,329	8,252	2,093	–	103,483	298,340
Annie Margossian-Kenny	86,044	112,702	–	1,688	1,334	10,454	212,222
	830,792	1,149,145	13,986	14,585	53,393	1,428,046	3,489,947

Remuneration above is from 6 March 2014, when SG Fleet Holdings Pty Limited and its subsidiaries were acquired, to 30 June 2014.

The Non-Executive Directors were also paid the following amounts for services rendered prior to the Initial Public Offering:

Name	Amount
Andrew Reitzer	Fees $18,879 plus superannuation $1,746
Cheryl Bart AO	Fees $10,584 plus superannuation $979
Graham Maloney	Fees $11,875 plus superannuation $nil
Peter Mountford	Fees $11,562 plus superannuation $nil

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

Name	Fixed remuneration Period ended 30 Jun 2014	At risk – STI Period ended 30 Jun 2014	At risk – LTI Period ended 30 Jun 2014
Non-Executive Directors:			
Andrew Reitzer	100%	–%	–%
Cheryl Bart AO	100%	–%	–%
Graham Maloney	100%	–%	–%
Peter Mountford	100%	–%	–%
Colin Brown – Alternate Director	100%	–%	–%
Executive Directors:			
Robbie Blau – CEO	33%	59%	8%
Kevin Wundram – CFO and Alternate Director	36%	57%	7%
Other Key Management Personnel:			
Andy Mulcaster	41%	53%	6%
David Fernandes	45%	50%	5%
Geoff Tipene	55%	43%	2%
Annie Margossian-Kenny	42%	53%	5%

100% of cash bonus was paid/payable. No cash bonus was forfeited.

Service agreements

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

Robbie Blau – CEO

- Agreement term: Ongoing from 1 July 2006
- TFR: $640,000 per annum, which includes base salary, statutory superannuation contributions and any salary sacrifice arrangements
- STI: FY 2014 at the discretion of Board between 60% and 75% of TFR based on exceeding profit targets; FY 2015 onward, award of between 22.5% and 75.0% of TFR, on a straight-line basis based on EPS growth targets. The STI is subject to a 12 month payment deferral of nil for FY 2014, 25% for FY 2015 and thereafter 50%
- LTI Opportunity: 120% of TFR
- Termination arrangements:

  for cause: immediate termination

  for poor performance: 4 weeks' notice by the Company after procedural fairness has been afforded

  redundancy: 4 weeks' notice by the Company, 1 year's TFR

  material change: 4 weeks' notice by the executive, 1 year's TFR

  without cause: 4 weeks' notice by the Company, 1 year's TFR

  resignation: 3 months' notice by the executive

  illness/mental disability: 26 weeks' base salary

Kevin Wundram – CFO

- Agreement term: Ongoing from 1 June 2006
- TFR: $350,000 per annum, which includes base salary, statutory superannuation contributions and any salary sacrifice arrangements
- STI: FY 2014 at the discretion of Board between 50% and 60% of TFR based on exceeding profit targets; FY 2015 onward, award of between 18% and 60% of TFR, on a straight-line basis based on EPS growth targets. The STI is subject to a 12 month payment deferral of nil for FY 2014, 25% for FY 2015 and thereafter 50%
- LTI Opportunity: 90% of TFR
- Termination arrangements:

  for cause: immediate termination

  for poor performance: 4 weeks' notice by the Company after procedural fairness has been afforded

  redundancy: 4 weeks' notice by the Company, 48 weeks' TFR

  material change: 4 weeks' notice by the executive, 48 weeks' TFR

  without cause: 4 weeks' notice by the Company, 48 weeks' TFR

  resignation: 3 months' notice by the executive

  illness/mental disability: 26 weeks' base salary

Andy Mulcaster – Managing Director, Australia

- Agreement term: Ongoing from 1 August 2006
- TFR: $373,652 per annum, which includes base salary, statutory superannuation contributions and any salary sacrifice arrangements
- STI: FY 2014 at the discretion of Board between 35% and 50% of TFR based on exceeding profit targets; FY 2015 onward, award of between 15% and 50% of TFR, on a straight-line basis based on EPS growth targets. The STI is subject to a 12 month payment deferral of nil for FY 2014, 25% for FY 2015 and thereafter 50%
- LTI Opportunity: 60% of TFR
- Termination arrangements:

  for cause: immediate termination

  for poor performance: 4 weeks' notice by the Company after procedural fairness has been afforded

  redundancy: 4 weeks' notice by the Company, 48 weeks' TFR

  material change: 4 weeks' notice by the executive, 48 weeks' TFR

  without cause: 4 weeks' notice by the Company, 48 weeks' TFR

  resignation: 3 months' notice by the executive

  illness/mental disability: 26 weeks' base salary

David Fernandes – Managing Director, United Kingdom

- Agreement term: Ongoing from 9 October 2006
- TFR: $313,231 per annum, which includes base salary, statutory superannuation contributions and any salary sacrifice arrangements
- STI: FY 2014 at the discretion of Board between 35% and 50% of TFR based on exceeding profit targets; FY 2015 onward, award of between 15% and 50% of TFR, on a straight-line basis based on EPS growth targets. The STI is subject to a 12 month payment deferral of nil for FY 2014, 25% for FY 2015 and thereafter 50%
- LTI Opportunity: 60% of TFR
- Termination arrangements:

  for cause: immediate termination

  for poor performance: 4 weeks' notice by the Company after procedural fairness has been afforded

  redundancy: 4 weeks' notice by the Company, 48 weeks' TFR

  material change: 4 weeks' notice by the executive, 48 weeks' TFR

  without cause: 4 weeks' notice by the Company, 48 weeks' TFR

  resignation: 3 months' notice by the executive

  illness/mental disability: 26 weeks' base salary

Geoff Tipene – Managing Director, New Zealand

- Agreement term: Ongoing from 1 February 2011
- TFR: $214,031 per annum, which includes base salary, statutory superannuation contributions and any salary sacrifice arrangements
- STI: FY 2014 at the discretion of Board between 35% and 50% of TFR based on exceeding profit targets; FY 2015 onward, award of between 15% and 50% of TFR, on a straight-line basis based on EPS growth targets. The STI is subject to a 12 month payment deferral of nil for FY 2014, 25% for FY 2015 and thereafter 50%
- LTI Opportunity: 60% of TFR
- Termination arrangements:

  for cause: immediate termination

  for poor performance: 4 weeks' notice by the Company after procedural fairness has been afforded

  redundancy notice: 4 weeks' notice by the Company

  redundancy severance <1 year Nil; 1-2 years 5 weeks; 2-3 years 8.75 weeks; 3-4 years 12.5 weeks, 4-5 years 15 weeks; 5-6 years 17.5 weeks and >6 years 20 weeks

  without cause: 4 months' notice by the Company

  resignation: 3 months' notice by the executive

Annie Margossian-Kenny – General Manager, Business Quality

- Agreement term: Ongoing from 5 February 2007
- TFR: $265,180 per annum, which includes base salary, statutory superannuation contributions and any salary sacrifice arrangements
- STI: FY 2014 at the discretion of Board between 35% and 50% of TFR based on exceeding profit targets; FY 2015 onward, award of between 15% and 50% of TFR, on a straight-line basis based on EPS growth targets. The STI is subject to a 12 month payment deferral of nil for FY 2014, 25% for FY 2015 and thereafter 50%
- LTI Opportunity: 50% of TFR
- Termination arrangements:

  for cause: immediate termination

  for poor performance: 4 weeks' notice by the Company after procedural fairness has been afforded

  redundancy: 4 weeks' notice by the Company, 48 weeks' TFR

  material change: 4 weeks' notice by the executive, 48 weeks' TFR

  without cause: 4 weeks' notice by the Company, 48 weeks' TFR

  resignation: 3 months' notice by the executive

  illness/mental disability: 26 weeks' base salary

Share-based compensation

Bonus IPO share and cash offers

Details of shares issued to Directors and other KMP as part of the Bonus IPO Share Offer during the period ended 30 June 2014 are set out below:

Name	Date	Shares	Issue price	$
Peter Mountford	4 March 2014	540,540	$1.85	1,000,000
Colin Brown	4 March 2014	108,108	$1.85	200,000
Geoff Tipene	4 March 2014	52,000	$1.85	96,200

For the period ended 30 June 2014, the Board made a once-off offer of bonus shares and a cash bonus payment worth a total of $4,650,000 under the EIP ('Bonus Offer') in relation to the initial listing of the Group. The cash component will be used to meet employees' taxation obligations in respect of the award of bonus shares. Bonus shares are granted as restricted shares under the EIP at no cost to the Participants.

The offer was made to a number of employees of the Group who are employed in executive level roles in order to reward, retain and incentivise them for the future. Participants in the bonus offer are set out in the table above.

The bonus shares are placed in escrow and will be released to the Participants in two equal tranches, the first tranche of shares will be held in escrow until the date on which the audited financial accounts of the Group for the financial year ending 30 June 2015 have been released to the ASX and the second tranche will be held in escrow until 28 February 2017. In order to effect the escrow arrangement, the bonus shares are held on trust for the Participant by an equity plan trustee until they vest or are otherwise forfeited.

Bonus Offer Participants are able to direct the trustee how to vote the bonus shares and are entitled to receive dividends earned during the escrow period. Participants must not sell, transfer, encumber, hedge or otherwise deal with bonus shares during the escrow period.

Upon cessation of employment, a Participant's bonus shares will continue to be held on trust until the end of the relevant escrow period. In a situation where there may be a change of control, the Board has the discretion to release some or all of the bonus shares from escrow.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other KMP in this financial period or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
4 March 2014	30 June 2017	30 June 2018	$1.85	$0.252

Options granted carry no dividend or voting rights and can be exercised only once the vesting conditions have been met until their expiry date.

The number of options over ordinary shares granted to and vested by Directors and other KMP as part of compensation during the period ended 30 June 2014 are set out below:

	Number of options granted during the period	Number of options vested during the period
Name	Period ended 30 Jun 2014	Period ended 30 Jun 2014
Robbie Blau	3,047,619	–
Kevin Wundram	1,250,000	–
Andy Mulcaster	911,890	–
David Fernandes	677,063	–
Geoff Tipene	375,695	–
Annie Margossian-Kenny	539,305	–

Values of options over ordinary shares granted, exercised and lapsed for Directors and other KMP as part of compensation during the period ended 30 June 2014 are set out below:

Name	Value of options granted during the period $	Value of options exercised during the period $	Value of options lapsed during the period $	Remuneration consisting of options for the period %
Robbie Blau	768,000	–	–	8%
Kevin Wundram	315,000	–	–	7%
Andy Mulcaster	229,796	–	–	6%
David Fernandes	170,620	–	–	5%
Geoff Tipene	94,675	–	–	4%
Annie Margossian-Kenny	135,905	–	–	5%

Additional information

The earnings of the Group since listing are summarised below:

	2014 $'000
Revenue	64,083
Profit after income tax	15,620

Additional disclosures relating to key management personnel

In accordance with Class Order 14/632, issued by the Australian Securities and Investments Commission, relating to 'Key management personnel equity instrument disclosures', the following disclosures relate only to equity instruments in the Company or its subsidiaries.

Shareholding

The number of shares in the Company held during the financial period by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the period	Received as part of remuneration	Additions	Disposals/other	Balance at the end of the period
Ordinary shares					
Andrew Reitzer	–	–	81,081	–	81,081
Robbie Blau	7,250,000	–	–	(493,575)	6,756,425
Cheryl Bart AO	–	–	27,027	–	27,027
Graham Maloney	–	–	27,027	–	27,027
Peter Mountford	–	–	540,540	–	540,540
Kevin Wundram	2,000,000	–	–	(136,160)	1,863,840
Colin Brown	–	–	108,108	–	108,108
Andy Mulcaster	1,750,000	–	–	(119,140)	1,630,860
David Fernandes	1,750,000	–	–	(119,140)	1,630,860
Geoff Tipene	–	52,000	–	–	52,000
Annie Margossian-Kenny	1,250,000	–	–	(85,100)	1,164,900
	14,000,000	52,000	783,783	(953,115)	13,882,668

Option holding

The number of options over ordinary shares in the Company held during the financial period by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the period	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the period
Options over ordinary shares					
Robbie Blau	–	3,047,619	–	–	3,047,619
Kevin Wundram	–	1,250,000	–	–	1,250,000
Andy Mulcaster	–	911,890	–	–	911,890
David Fernandes	–	677,063	–	–	677,063
Geoff Tipene	–	375,695	–	–	375,695
Annie Margossian-Kenny	–	539,305	–	–	539,305
	–	6,801,572	–	–	6,801,572

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of SG Fleet Group Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
4 March 2014	30 June 2018	$1.85	8,086,046

Shares issued on the exercise of options

There were no ordinary shares of SG Fleet Group Limited issued on the exercise of options during the period ended 30 June 2014 and up to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the Directors, executives and employees of the Company for costs incurred, in their capacity as a director, executive or employee, for which they may be held personally liable, except where there is a lack of good faith.

During the financial period, the Company's subsidiary, SG Fleet Australia Pty Limited on behalf of the Company paid a premium in respect of a contract to insure the Directors and executives of the Company and of any related bodies corporates defined in the insurance policy, against a liability to the extent permitted by the Corporations Act 2001.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial period, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

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

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial period by the auditor are outlined in note 29 to the financial statements.

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

The Directors are of the opinion that the services as disclosed in note 29 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

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

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

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

Auditor

KPMG were appointed during the financial period and continue in office in accordance with section 327 of the Corporations Act 2001.

There are no officers of the Company who are former audit partners of KPMG.

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

On behalf of the Directors

Andrew Reitzer
Chairman

Robbie Blau
Chief Executive Officer

18 August 2014
Sydney

Auditor's Independence Declaration

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

To: the directors of SG Fleet Group Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial period ended 30 June 2014 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

Peter Russell
Partner

Sydney

18 August 2014

Corporate Governance Statement

The Board of Directors (the 'Board') of SG Fleet Group Limited (the 'Company') is responsible for the corporate governance of the Group. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders, by whom they are elected and to whom they are accountable.

This statement outlines the main corporate governance practices in place, which comply with the ASX Corporate Governance Council's Principles and Recommendations with 2010 Amendments (2nd Edition) in accordance with ASX Listing Rule 4.10.3, unless otherwise stated.

Principles and Recommendations		Response	Compliance
Principle 1 – Lay solid foundations for management and oversight			
1.1	Establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	The Board is responsible for the overall corporate governance of the Company. The Board has adopted a Board Charter, which formalises its roles and responsibilities and defines the matters that are reserved for the Board and specific matters that are delegated to senior executives. The Board has adopted a Delegation of Duties and Powers that sets limits of authority for senior executives.	Complies.
1.2	Disclose the process for evaluating the performance of senior executives.	The Company has a process in place to evaluate performance at all levels of the business. The performance measures are aligned to strategic objectives by way of a 'Performance Scorecard' and 'Quality Gates', which evaluate 'People' and 'Business Management' drivers.	Complies.
1.3	Provide the information indicated in the *Guide to reporting on Principle 1*.	The Board Charter is summarised in this Corporate Governance Statement and is disclosed in full on the Company's website. The Board did not conduct a performance evaluation for senior executives in accordance with this Principle in the financial period ended 30 June 2014 as the Company only listed on the ASX in March 2014.	Does not currently comply. A detailed performance evaluation process is not currently included in the Board Charter. However, the Board will include details of this process in an updated Board Charter during the current financial period. The Board will undertake a performance evaluation of the Company's senior executives during the financial year ending 30 June 2015 and thereafter on an annual basis.

Principles and Recommendations		Response	Compliance
Principle 2 – Structure the Board to add value			
2.1	A majority of the board should be independent directors.	The Board consists of five Directors, including the Chairman. The majority (three) of the Board's Directors are independent. Andrew Reitzer is an independent Non-Executive Chairman. Graham Maloney is an independent Non-Executive Director. Cheryl Bart AO is an independent Non-Executive Director. Peter Mountford is a Non-Executive Director but is not independent as he is a nominee of the Company's majority shareholder, Super Group. Robbie Blau is a Director and Chief Executive Officer, and is as such not independent.	Complies.
2.2	The chair should be an independent director.	Andrew Reitzer is the Chairman and is an independent Non-Executive Director.	Complies.
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	Andrew Reitzer is the Chairman and Robbie Blau is the Chief Executive Officer.	Complies.
2.4	The board should establish a nomination committee.	The Company has established a Nomination and Remuneration Committee. The Board has undertaken a review of the mix of skills and experience on the Board in light of the Company's principal activities and direction, and has considered diversity in succession planning. The Board considers the current mix of skills and experience of members of the Board and its senior executives is sufficient to meet the requirements of the Company. The Board supports the nomination and re-election of the Directors at the Company's forthcoming Annual General Meeting.	Complies.

Corporate Governance Statement

Principles and Recommendations		Response	Compliance
Principle 2 – Structure the Board to add value continued			
2.5	Disclose the process for evaluating the performance of the board, its committees and individual directors.	The Board Charter discloses the process for evaluating the performance of the Board and its committees, but has not disclosed the process for evaluating individual directors to-date.	Does not currently comply. A process for evaluating individual directors is not currently included in the Board Charter as the Company only listed on the ASX in March 2014. However, the Board will include details of this process in an updated Board Charter during the current financial period.
2.6	Provide the information indicated in the *Guide to reporting on Principle 2*.	The information is disclosed, where applicable, in the Directors' Report issued in conjunction with the Corporate Governance Statement. Andrew Reitzer, Graham Maloney, and Cheryl Bart AO are independent Non-Executive Directors. A director is considered independent when that director substantially satisfies the test for independence as set out in the ASX Corporate Governance Recommendations. Members of the Board are able to take independent professional advice at the expense of the Company. Members of the Board, their position, appointment date, and further details can be found in the Directors' Report issued in conjunction with the Corporate Governance Statement. Other disclosure material on the structure of the Board is available on the Company's website.	Complies.
Principle 3 – Promote ethical and responsible decision-making			
3.1	Establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity; • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	The Board has adopted a Code of Conduct, which expresses the core values that drive the Company's behaviour and aspirations. These are: to focus on delivering excellence to the Company's clients; to always act in a trustworthy manner, affirming the Company's integrity; to reward initiative, leadership and innovation; to encourage mutual respect, collaboration and knowledge sharing; to foster a culture of ownership and accountability and recognise the contribution and importance of each person; and to provide a positive and dynamic workplace environment, placing importance on the achievement of work/life balance. The Board of Directors and all employees are expected to adhere to the values and standards in the Code of Conduct. The Code of Conduct is summarised in this Corporate Governance Statement and is disclosed in full on the Company's website.	Complies.

Principles and Recommendations		Response	Compliance
Principle 3 – Promote ethical and responsible decision-making continued			
3.2	Establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	The Board has formally approved a Diversity Policy in order to ensure a work environment where people are treated fairly and with respect notwithstanding their gender, ethnicity, disability, age or educational experience. Diversity has been identified as a key area of focus for the Company. Accordingly, the primary focus of this Policy is achieving, over a reasonable transition period, an adequate representation of diversity throughout the workforce, in senior management positions and on the Board. It is the Board's stated intent to set measurable objectives with a view to progressing diversity in the Company, as well as provide a summary of progress towards these objectives in the Annual Report, as per Item 4 of the Company's Diversity Policy. The Diversity Policy is summarised in this Corporate Governance Statement and is disclosed in full on the Company's website.	Does not currently comply. A Diversity Policy has been established. However, for the financial period ended 30 June 2014 measurable objectives in line with ASX Corporate Governance Council Principle 3.2 have not yet been set as the Company only listed on the ASX in March 2014. The Board will set measurable objectives during the financial year ending 30 June 2015, and in the Annual Report for that financial year provide a summary of progress towards these objectives as well as details of the measurable objectives for the subsequent financial year.
3.3	Disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	The Board values diversity in all areas and is currently developing measurable objectives for achieving diversity (including gender representation), in line with its stated intent as per Item 4 of the Company's Diversity Policy.	Does not currently comply. The Board will set such objectives during the financial year ending 30 June 2015, and in the Annual Report for that financial year provide a summary of progress towards these objectives as well as details of the measurable objectives for the subsequent financial year.
3.4	Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	The proportion of women employees in the Group as at 30 June 2014 are as follows: Women on the Board 20% Women in senior executive positions 17% Women in the organisation 49%	Complies.
3.5	Provide the information indicated in the *Guide to reporting on Principle 3*.	The Code of Conduct and Diversity Policy are summarised in this Corporate Governance Statement and are disclosed in full on the Company's website. The proportion of women in the Company is disclosed in this Corporate Governance Statement.	Does not currently comply. Measureable objectives for achieving gender diversity and progress towards achieving them are not currently contained in this Corporate Governance Statement. The Board will set such objectives during the financial year ending 30 June 2015, and in the Annual Report for that financial year provide a summary of progress towards these objectives as well as details of the measurable objectives for the subsequent financial year.

Corporate Governance Statement

Principles and Recommendations		Response	Compliance
Principle 4 – Safeguard integrity in financial reporting			
4.1	The board should establish an audit committee.	The Board has established an Audit, Risk and Compliance Committee, which operates under an Audit, Risk and Compliance Committee Charter to: oversee the Company's relationship with the external auditor and the external audit function generally; oversee the Company's relationship with the internal auditor and the internal audit function generally; oversee the preparation of the financial statements and reports; oversee the Company's financial controls and systems; and manage the process of identification and management of financial risk.	Complies.
4.2	The audit committee should be structured so that it: • consists only of non-executive directors; • consists of a majority of independent directors; • is chaired by an independent chair, who is not chair of the Board; and • has at least three members.	The members of the Audit, Risk and Compliance Committee are: Graham Maloney (Chairman), Peter Mountford and Cheryl Bart AO. The Audit, Risk and Compliance Committee consisted of three Non-Executive Directors, a majority of independent Directors (two), and is chaired by an independent Director, who is not chair of the Company's Board.	Complies.
4.3	The audit committee should have a formal charter.	The Board has adopted an Audit, Risk and Compliance Committee Charter.	Complies.
4.4	Provide the information indicated in the *Guide to reporting on Principle 4*.	This information is disclosed in the Directors' Report issued in conjunction with the Corporate Governance Statement and is summarised in this Corporate Governance Statement. The members of the Audit, Risk and Compliance Committee are appointed by the Board and recommendations from the committee are presented to the Board for further discussion and resolution. The number of meetings held by the Audit, Risk and Compliance Committee is disclosed in the Directors' Report. The Audit, Risk and Compliance Committee Charter is summarised in this Corporate Governance Statement and is disclosed in full on the Company's website.	Complies.

Principles and Recommendations		Response	Compliance
Principle 5 – Make timely and balanced disclosure			
5.1	Establish written policies designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	The Company has adopted a Continuous Disclosure Policy to ensure that it complies with the continuous disclosure regime under the ASX Listing Rules and the Corporations Act 2001. The Company's Continuous Disclosure Policy is summarised in this Corporate Governance Statement and is disclosed in full on the Company's website.	Complies.
5.2	Provide the information indicated in the *Guide to reporting on Principle 5*.	The Company's Continuous Disclosure Policy is summarised in this Corporate Governance Statement and is disclosed in full on the Company's website.	Complies.
Principle 6 – Respect the rights of shareholders			
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose that policy or a summary of that policy.	The Company has adopted a shareholder communications policy (titled 'Communications Strategy'). The Company uses its website (www.sgfleet.com), annual and interim reports, market announcements, and presentations to communicate with its shareholders, as well as encourages participation at general meetings. This policy (titled 'Communications Strategy') is summarised in this Corporate Governance Statement and is disclosed in full on the Company's website.	Complies.
6.2	Provide the information indicated in the *Guide to reporting on Principle 6*.	The Company's shareholder communications policy (titled 'Communications Strategy') is summarised in this Corporate Governance Statement and is disclosed in full on the Company's website.	Complies.

Corporate Governance Statement

Principles and Recommendations		Response	Compliance
Principle 7 – Recognise and manage risk			
7.1	Establish policies for the oversight and management of material risks and disclose a summary of those policies.	The Company has adopted a risk management statement within the Audit, Risk and Compliance Committee Charter. The Audit, Risk and Compliance Committee is responsible for managing risk. However, ultimate responsibility for risk oversight and risk management rests with the Board. The Audit, Risk and Compliance Committee Charter is summarised in this Corporate Governance Statement and is disclosed in full on the Company's website.	Complies.
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material risks.	The Company has identified key risks within the business. In the ordinary course of business, management monitors and manages these risks. Key operational and financial risks are presented to and reviewed by the Board.	Complies.
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating efficiently and effectively in all material respects in relation to financial reporting risks.	The Board has received a statement from the Chief Executive Officer and Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act 2001 is founded on a sound system of risk management and internal control and that the system is operating efficiently and effectively in all material respects in relation to the financial reporting risks.	Complies. The Chief Executive Officer and Chief Financial Officer provided the Board with this statement with respect to the financial period ended 30 June 2014.
7.4	Provide the information indicated in the *Guide to reporting on Principle 7*.	The Board has adopted an Audit, Risk and Compliance Committee Charter, which includes a statement of the Company's risk policies. This Charter is summarised in this Corporate Governance Statement and is disclosed in full on the Company's website. The Company has identified key risks within the business. The certificate provided under principle 7.3 by the Chief Executive Officer and the Chief Financial Officer has been received by the Board.	Complies.

Principles and Recommendations		Response	Compliance
Principle 8 – Remunerate fairly and responsibly			
8.1	The board should establish a remuneration committee.	The Board has established a Nomination and Remuneration Committee and has adopted a Nomination and Remuneration Committee Charter.	Complies.
8.2	The remuneration committee should be structured so that it: • consists of a majority of independent directors; • is chaired by an independent chair; and • has at least three members.	The members of the Nomination and Remuneration Committee are: Andrew Reitzer (Chairman), Peter Mountford and Cheryl Bart AO. The majority of members (two) of the Nomination and Remuneration Committee are independent. The Chair of the Nomination and Remuneration Committee is independent.	Complies.
8.3	Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	The Company complies with the guidelines for executive remuneration packages and non-executive director remuneration. The remuneration structure is disclosed in the Directors' Report issued in conjunction with the Corporate Governance Statement. No senior executive is involved directly in deciding their own remuneration.	Complies.
8.4	Provide the information indicated in the *Guide to reporting on Principle 8*.	The Board has adopted a Nomination and Remuneration Committee Charter. This Charter is summarised in this Corporate Governance Statement and is disclosed in full on the Company's website. No senior executive is involved directly in deciding their own remuneration.	Complies.

The Company's corporate governance practices were in place from the Company's listing on the ASX on 4 March 2014 to the end of the 2014 financial period (30 June 2014), and to the date of signing the Directors' Report.

The Company's corporate governance practices are summarised below. For the full text of the corporate governance policies and charters adopted by the Company, refer to the Company's website at www.sgfleet.com.

Board

Composition and size

- The Board is appointed by the shareholders. Non-Executive Directors are initially engaged through a letter of appointment.
- The Board, together with the Nomination and Remuneration Committee, determines the size and composition of the Board, subject to the terms of the Company's Constitution.
- It is intended that the Board should comprise a majority of independent Non-Executive Directors and comprise Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds.
- The Board, together with the Nomination and Remuneration Committee, will review the skills represented by Directors on the Board and determine whether the composition and mix of those skills remain appropriate for the Company's strategy, subject to limits imposed by the Constitution and the terms served by existing Non-Executive Directors.

Further details on each Director can be found in the Directors' Report issued in conjunction with this Corporate Governance Statement.

Director independence and tenure

- The Board regularly reviews the independence of each Non-Executive Director in light of information relevant to this assessment as disclosed by each Non-Executive Director to the Board.
- The Board only considers Directors to be independent where they are independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the exercise of their unfettered and independent judgment. The Board has adopted a definition of independence that is based on that set out in Box 2.1 of the ASX Corporate Governance Principles and Recommendations (2nd edition).
- The Board does not believe that it should establish an arbitrary limit on tenure. While tenure limits can help to ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight in the Company and its operation and, therefore, an increasing contribution to the Board as a whole. Accordingly, tenure is just one of the many factors that the Board takes into account when assessing the independence and ongoing contribution of a Director in the context of the overall board process.

Role and responsibilities

The Board's role is to:

- represent and serve the interests of shareholders by overseeing and appraising the Company's strategies, policies and performance, including overseeing the financial and human resources the Company has in place to meet its objectives, and reviewing management performance;
- protect and optimise Company performance and build sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's Constitution and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- set, review and ensure compliance with the Company's values and governance framework (including establishing and observing high ethical standards); and
- ensure shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

The Board may delegate any of its powers to one director, a committee of the Board, or any person or persons to be exercised in accordance with any directions of the Board.

Directors' independent advice

The Board collectively, and each director individually, has the right to seek independent professional advice, subject to the approval of the Board.

To facilitate the execution of its responsibilities, the Board has established Committees to oversee and report to the Board on particular areas of responsibility. All Directors receive all Committee papers and minutes and are entitled to attend any Committee meeting. Each Committee reports to the next Board meeting. The Board has established the following Committees:

The Board Charter is available on the Company's website.

Audit, Risk and Compliance Committee

Audit

The Committee's primary audit roles are:

- to assist the Board in relation to the reporting of financial information;
- the appropriate application and amendment of accounting policies;
- the appointment, independence and remuneration of the external auditor; and
- to provide a link between the external auditors, the Board and the management of the Company.

Risk and compliance

The Committee's specific function with respect to risk management is to review and report to the Board that:

- the Company's ongoing risk management program effectively identifies all areas of potential risk;
- adequate policies and procedures have been designed and implemented to manage identified risks;
- a regular program of audits is undertaken to test the adequacy of and compliance with prescribed policies; and
- proper remedial action is undertaken to redress areas of weakness.

The Audit, Risk and Compliance Committee Charter is available on the Company's website.

Nomination and Remuneration Committee

Nomination

The primary nomination responsibilities of the Committee are to:

- advise and assist the Board on size, composition, membership, induction, evaluation and training of the Board; and
- review the effectiveness and outcomes of the Company's Diversity Policy.

Remuneration
The primary remuneration responsibilities of the Committee are to:

- review and recommend arrangements for the Executive Directors (including the CEO) and the executives reporting to the CEO;
- review the senior management performance assessment processes and results;
- review and approve the short-term incentive strategy, performance targets, bonus payments, and employee equity incentive plans; and
- review and recommend to the Board the remuneration arrangements for the Chairman and the Non-Executive Directors of the Board.

The Nomination and Remuneration Committee Charter is available on the Company's website.

Code of Conduct

The Company is committed to a high level of integrity and ethical standards in all business practices. Employees must conduct themselves in a manner consistent with current community and Company standards and in compliance with all relevant legislation.

The Code of Conduct outlines how the Company expects its representatives to behave and conduct business in the workplace on a range of issues. It includes legal compliance and guidelines on appropriate ethical standards.

The objective of the Code of Conduct is to:

- provide a benchmark for professional behaviour throughout the Company;
- support the Company's business reputation and corporate image within the community; and
- make Directors and employees aware of the consequences if they breach the policy.

The Code of Conduct is available on the Company's website.

Diversity Policy

The Board has formally adopted the Company's Diversity Policy.

The Company's vision for diversity incorporates a number of different factors, including gender, ethnicity, disability, age and educational experience. At a Board and senior management level, diversity has been identified as a key area of focus for the Company. Accordingly, the primary focus of this Policy is achieving, over a reasonable transition period, an adequate representation of diversity throughout the workforce, in senior management positions and on the Board.

The Company aims to achieve the objectives of this Policy by:

- setting measurable objectives relating to diversity (including gender representation) in the workforce and at all senior management and leadership levels;
- broadening the field of potential candidates for positions within the Company and for senior management and Board appointments;
- increasing the transparency of the senior management and board appointment process; and
- embedding the extent to which the Board has achieved the objective of this Policy in the evaluation criteria for the annual board performance evaluation.

The Diversity Policy is available on the Company's website.

Continuous Disclosure

The Company has significant obligations under the Corporations Act 2001 and the ASX Listing Rules to keep the market fully informed of information that may have a material effect on the price or value of the Company's securities.

The Company's policy is to ensure compliance with these requirements, and the Company discharges its obligations by releasing information to the ASX in the form of an ASX release or, where appropriate, through disclosure of other relevant documents (e.g. the annual report, results announcements etc.) and, where appropriate, by requesting a trading halt.

The Continuous Disclosure Policy is available on the Company's website.

Dealing in Securities Policy

Under the Company's Dealing in Securities Policy, Directors, officers and employees of the Company should not trade in the Company's securities where they are in possession of price sensitive or 'inside' information; or where the Company is in possession of price sensitive or 'inside' information and has notified Directors and officers, all direct reports to the CEO, all employees, and connected persons of employees ('Relevant Persons') that they must not deal in securities (either for a specified period, or until the Company gives further notice).

Corporate Governance Statement

In addition, Relevant Persons must not deal in the Company's securities during any of the following blackout periods:

- the period from the close of trading on the ASX on 30 June each year, or if that date is not a trading day, the last trading day before that day, until five days following the announcement to ASX of the preliminary final statement or full year results;
- the period from the close of trading on 31 December each year, or if that date is not a trading day, the last trading day before that day, until five days following the announcement of the half yearly results; and
- any other period that the Board specifies from time to time.

Relevant Persons must also not deal in the Company's securities on a short-term trading basis. Short-term trading includes buying and selling securities on market within a three-month period, and entering into other short-term dealings (for example, forward contracts).

As required by the ASX Listing Rules, the Company notifies the ASX of any transaction conducted by Directors in the securities of the Company within five days of the transaction taking place.

The Dealing in Securities Policy is available on the Company's website.

Communications Strategy

The Company aims to ensure that shareholders are kept informed of all major developments affecting the state of affairs of the Company. Additionally, the Company recognises that potential investors and other interested stakeholders may wish to obtain information about the Company from time to time.

To achieve this, the Company communicates information regularly to shareholders and other stakeholders through a range of forums and publications. One of the Company's key communication tools is its website located at www.sgfleet.com.

The website also contains a facility for shareholders to direct inquiries to the Company. If shareholders wish to elect to receive communications from the Company via email (or elect to discontinue receiving email communications from the Company), they may contact the Company's share registry.

The Communications Strategy is available on the Company's website.

Corporate Social Responsibility

The Company aspires to be regarded as a good corporate citizen, with a strong awareness of the impact it has on our world. It has a desire to influence things for the better and minimise any adverse effects it may have on the environment.

Integrity and honesty are the Company's core corporate values and the cornerstones of its business. Its culture is based on total openness and mutual respect in dealings with clients, employees and service providers.

The Company is committed to achieve environmental and social sustainability, and aid in the preservation of natural resources. The Company seeks to continually improve its environmental and social sustainability performance. It monitors emissions and benchmarks data on a year-by-year basis, and targets a 5% reduction in CO_2 emissions by 2020.

The Company assists the community by supporting numerous charities to help those in need around the world. These include:

- The St George Foundation
- Kidney Health Australia
- Molly Olly's Wishes
- Auckland Rescue Helicopter Trust
- World Vision
- Trek4Kids
- Jeans for Genes
- Barnardo's
- The Friendship Circle

More information on the Company's Corporate Social Responsibility approach is available on the Company's website.

Financial Report
30 June 2014

Contents

Statement of profit or loss and other comprehensive income
For the period ended 30 June 2014

	Note	Consolidated Period ended 30 Jun 2014 $'000
Revenue	5	64,083
Expenses		
Fleet management costs		(13,971)
Employee benefits expense		(18,737)
Occupancy costs		(1,360)
Depreciation, amortisation and impairment	6	(1,757)
Technology costs		(899)
Other expenses		(2,542)
Finance costs	6	(1,088)
Profit before income tax expense		23,729
Income tax expense	7	(8,109)
Profit after income tax expense for the period attributable to the owners of SG Fleet Group Limited	24	15,620
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation difference for foreign operations		(336)
Other comprehensive income for the period, net of tax		(336)
Total comprehensive income for the period attributable to the owners of SG Fleet Group Limited		15,284

		Cents
Basic earnings per share	38	9.13
Diluted earnings per share	38	8.83

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Statement of financial position

As at 30 June 2014

	Note	Consolidated 30 Jun 2014 $'000
Assets		
Cash and cash equivalents	8	57,906
Finance, trade and other receivables	9	41,741
Inventories	10	4,643
Leased motor vehicle assets	11	15,688
Deferred tax	12	15,032
Property, plant and equipment	13	1,199
Intangibles	14	141,365
Total assets		277,574
Liabilities		
Trade and other payables	15	43,981
Income tax	16	2,460
Employee benefits	17	4,588
Residual risk provision	18	15,949
Borrowings	19	43,516
Vehicle maintenance funds	20	14,947
Deferred income	21	23,117
Total liabilities		148,558
Net assets		129,016
Equity		
Issued capital	22	232,768
Reserves	23	(119,372)
Retained profits	24	15,620
Total equity		129,016

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

Statement of changes in equity
For the period ended 30 June 2014

	Issued capital $'000	Reserves $'000	Retained profits $'000	Total equity $'000
Consolidated				
Balance at 15 January 2014	–	–	–	–
Profit after income tax expense for the period	–	–	15,620	15,620
Other comprehensive income for the period, net of tax	–	(336)	–	(336)
Total comprehensive income for the period	–	(336)	15,620	15,284
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 22)	232,768	–	–	232,768
Share-based payments (note 39)	–	122	–	122
Group reorganisation (note 23)	–	(119,158)	–	(119,158)
Balance at 30 June 2014	232,768	(119,372)	15,620	129,016

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

Statement of cash flows

For the period ended 30 June 2014

	Note	Consolidated Period ended 30 Jun 2014 $'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)		65,860
Payments to suppliers and employees (inclusive of GST)		(35,174)
Interest received		495
Interest and other finance costs paid		(1,518)
Income taxes paid		(4,892)
Net cash from operating activities	37	24,771
Cash flows from investing activities		
Acquisition of lease portfolio assets	11	(8,060)
Payments for property, plant and equipment	13	(334)
Payments for intangibles	14	(379)
Proceeds from disposal of lease portfolio assets		5,851
Net cash used in investing activities		(2,922)
Cash flows from financing activities		
Proceeds from issue of shares		1,604
Proceeds from borrowings		992
Share issue transaction costs		(5,824)
Net cash received on acquisition of SG Fleet Holdings Pty Limited		39,285
Net cash from financing activities		36,057
Net increase in cash and cash equivalents		57,906
Cash and cash equivalents at the beginning of the financial period		–
Cash and cash equivalents at the end of the financial period	8	57,906

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

Notes to the financial statements
30 June 2014

Note 1. General information

The financial statements cover SG Fleet Group Limited as a Group consisting of SG Fleet Group Limited (the 'Company' or 'parent entity' and its subsidiaries (the 'Group'). The financial statements are presented in Australian Dollars, which is SG Fleet Group Limited's functional and presentation currency.

SG Fleet Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 2, Building 3
20 Bridge Street
Pymble NSW 2073

A description of the nature of the Group's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 18 August 2014. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below.

New, revised or amending Accounting Standards and Interpretations adopted
The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Accounting period
The Company was incorporated on 15 January 2014 and commenced trading on 6 March 2014, when it acquired SG Fleet Holdings Pty Limited and its subsidiaries. Therefore, the Group's results are for the four month period from 6 March 2014 to 30 June 2014.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 34.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of SG Fleet Group Limited as at 30 June 2014 and the results of all subsidiaries for the period then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

Note 2. Significant accounting policies continued

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

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

Foreign currency translation
The financial statements are presented in Australian Dollars, which is SG Fleet Group Limited's functional and presentation currency.

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

Foreign operations
The assets and liabilities of foreign operations are translated into Australian Dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian Dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Management and maintenance income
Fleet management income and management fees are brought to account on a straight line basis over the term of the lease.

Maintenance income is recognised on a stage of completion basis in order that profit is recognised when the services are provided. Maintenance costs are expensed as and when incurred.

Additional products and services
Revenue from the sale of additional products and services is recognised when it is received or when the right to receive payment is established.

Funding commissions
Introductory commissions earned are recognised in profit or loss in full in the month in which the finance is introduced to the relevant financier. Trailing commissions earned from financiers are recognised over the life of the lease.

End of lease income
Income earned after the expiry of the lease is recognised when it is received or when the right to receive payment is established.

Rental income
Rental income from operating leases is recognised in profit or loss on a straight line basis over the lease term.

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

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Note 2. Significant accounting policies continued

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

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

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

SG Fleet Group Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime, from 6 March 2014. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Finance, trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

For finance lease and contract purchase agreements see 'Leases – Group as lessor' accounting policy.

Other receivables are recognised at amortised cost, less any provision for impairment.

Note 2. Significant accounting policies continued

Inventories

End-of-term operating lease assets are stated at the lower of cost and net realisable value. Cost comprises purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the lower of (i) estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and (ii) cost less residual value provision.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	five years
Fixtures and fittings	three to eight years
Motor vehicles	four years

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

For leased motor vehicles see 'Leases – Group as lessor – leased motor vehicles assets' accounting policy.

Leases

Group as lessee

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Group as lessor

Amounts due from customers under finance leases and contract purchase agreements are recorded as receivables. Finance and contract purchase receivables are initially recognised at an amount equal to the present value of the minimum instalment payment receivable plus the present value of any unguaranteed residual value expected to accrue at the end of the contract term. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the contracts.

Note 2. Significant accounting policies continued

Group as lessor – leased motor vehicles assets
Full maintenance lease assets are stated at historical cost less accumulated depreciation.

The cost of full maintenance lease assets includes the purchase cost including non-refundable purchase taxes and other expenditure that is directly attributable to the acquisition of the assets to bring the assets held-for-use in the lease asset portfolio to working condition for the intended use.

The depreciable amount of the asset is depreciated over its estimated useful life of seven years on a straight-line basis.

Lease rentals receivable and payable on operating leases are recognised in profit or loss in periodic amounts over the effective lease term on a straight line basis.

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Where an entity or operation is acquired in a business combination, that is not a common control transaction, the identifiable net assets acquired are measured at fair value. The excess of the fair value of the cost of the acquisition over the fair value of the identifiable net assets acquired is brought to account as goodwill. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Customer contracts
Customer contracts are assessed as having either an indefinite or finite life. Indefinite life customer contracts are not amortised. Instead they are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired, and are carried at cost less accumulated impairment losses. Finite life customer contracts are amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of five years.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite useful lives of between two and eight years.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

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

Note 2. Significant accounting policies continued

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Maintenance deferred income liability
Income is measured by reference to the stage of completion based on the proportion that the maintenance costs incurred to date bear to the estimated costs of completion of the contract lease.

Deferred income is recognised based on the differences in maintenance fee derived in accordance with the contract billing cycle and income based on stage of completion by reference to costs incurred.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including:

- interest on short-term and long-term borrowings

Provisions
Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Residual values
The Group has entered into various agreements with its financiers that govern the transfer of the residual value risk inherent in operating lease assets from the financier to the Group at the end of the underlying lease agreement. These agreements include put/call options, sale direction deeds and guaranteed buyback arrangements. The residual value provision is created on an onerous pool basis to cover future shortfalls on the disposal of these vehicles. Assets are grouped into homogenous groups which are then analysed further into maturity pools. A provision is raised for a maturity pool if the forecast loss on disposal of the assets in the pool exceeds the future fee income that the pool will generate between the reporting date and the maturity date. Maturity pools in a net profit position are not offset against maturity pools in a net loss position.

Employee benefits
Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments
Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

Note 2. Significant accounting policies continued

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award are treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

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

Dividends

Dividends are recognised when declared during the financial period and no longer at the discretion of the Company.

Note 2. Significant accounting policies continued

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of SG Fleet Group Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the financial period.

Diluted earnings per share

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

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2014. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 9 Financial Instruments and its consequential amendments

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2018 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. The Group will adopt this standard and the amendments from 1 July 2018 but the impact of its adoption is yet to be assessed by the Group.

Annual Improvements to IFRSs 2010-2012 Cycle and IFRSs 2011-2013 Cycle

These annual improvements are applicable to either annual reporting periods beginning on or after 1 July 2014 or on or after 1 January 2015. The adoption of these improvements will not have a material impact on the Group.

IFRS 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods on or after 1 January 2017 and provides a single standard for revenue recognition. The Group will adopt this standard from 1 July 2017, but the impact of its adoption is yet to be assessed by the Group.

Note 3. Critical accounting judgements, estimates and assumptions

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

Revenue from maintenance income

As discussed in note 2, the Group estimates the maintenance income on a stage of completion approach. These calculations require the use of assumptions, including an estimation of the stage of completion and the profit margin to be achieved over the life of the contract.

Note 3. Critical accounting judgements, estimates and assumptions continued

Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units, to which these assets belong, have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Residual values

As discussed in note 2, the Group has entered into various agreements with its financiers relating to residual value risk inherent in operating lease assets being transferred to the Group at the end of the underlying lease agreement. A provision is raised where the forecast loss on disposal of the assets in the pool exceeds the expected future fee income that the pool will generate. The expected future income is estimated based on past experience and likely market conditions at the time of disposal of the assets.

Note 4. Operating segments

Identification of reportable operating segments

The Group is organised into geographic operating segments: Australia, New Zealand, United Kingdom and Corporate. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews segment results based on Profit Before Tax ('PBT'). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Major customers

There are no major customers that contributed more than 10% of revenue to the Group.

Operating segment information

	Australia $'000	New Zealand $'000	United Kingdom $'000	Corporate $'000	Intersegment eliminations/ unallocated $'000	Total $'000
Consolidated – Period ended 30 Jun 2014						
Revenue						
Sales to external customers	52,961	746	1,838	8,043	–	63,588
Other revenue	480	12	3	–	–	495
Total revenue	53,441	758	1,841	8,043	–	64,083
Segment results	17,259	(101)	(199)	6,770	–	23,729
Profit before income tax expense						23,729
Income tax expense						(8,109)
Profit after income tax expense						15,620
Assets						
Segment assets	168,154	4,510	14,426	90,484	–	277,574
Total assets						277,574
Liabilities						
Segment liabilities	107,751	987	6,279	33,541	–	148,558
Total liabilities						148,558

Notes to the financial statements
30 June 2014

Note 5. Revenue

	Consolidated Period ended 30 Jun 2014 $'000
Sales revenue	
Management and maintenance income	20,156
Additional products and services	16,938
Funding commissions	8,556
End of lease income	4,285
Rental income	3,489
Other income	2,024
Initial public offering – exit fee	8,140
	63,588
Other revenue	
Interest	495
Revenue	64,083

Note 6. Expenses

	Consolidated Period ended 30 Jun 2014 $'000
Profit before income tax includes the following specific expenses:	
Depreciation	
Leasehold improvements	3
Fixtures and fittings	149
Motor vehicles	19
Leased motor vehicle assets	1,407
Total depreciation	1,578
Amortisation	
Software	179
Total depreciation and amortisation	1,757
Finance costs	
External borrowing costs for corporate debt	637
External borrowing costs for lease portfolio	262
Net foreign exchange losses	189
Total finance costs	1,088
Rental expense relating to operating leases	
Minimum lease payments	1,526
Superannuation expense	
Defined contribution superannuation expense	982

Note 7. Income tax expense

	Consolidated Period ended 30 Jun 2014 $'000
Income tax expense	
Current tax	7,032
Deferred tax – origination and reversal of temporary differences	1,077
Aggregate income tax expense	8,109
Deferred tax included in income tax expense comprises:	
Decrease in deferred tax assets (note 12)	1,077
Numerical reconciliation of income tax expense and tax at the statutory rate	
Profit before income tax expense	23,729
Tax at the statutory tax rate of 30%	7,119
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:	
Non-deductible expenses	11
Assessed loss	84
Preference share dividends	(129)
Bonus shares	1,019
	8,104
Difference in overseas tax rates	5
Income tax expense	8,109
Amounts credited directly to equity	
Deferred tax assets (note 12)	(2,417)
Tax losses not recognised	
Unused tax losses for which no deferred tax asset has been recognised	9,603
Potential tax benefit at the statutory tax rate of 30%	2,881

The above potential tax benefit for tax losses, relating to United Kingdom and New Zealand, has not been recognised in the statement of financial position.

Notes to the financial statements
30 June 2014

Note 8. Cash and cash equivalents

	Consolidated 30 Jun 2014 $'000
Cash at bank	45,352
Secured deposits	12,554
	57,906
Amount expected to be recovered within 12 months	57,906

The secured deposits secure the Group's obligations under its lease portfolio facilities.

Note 9. Finance, trade and other receivables

	Consolidated 30 Jun 2014 $'000
Trade receivables	34,776
Less: Provision for impairment of receivables	(56)
	34,720
Prepayments	6,866
Finance lease receivables	155
	41,741
Amount expected to be recovered within 12 months	41,711
Amount expected to be recovered after more than 12 months	30
	41,741

Impairment of receivables
The ageing of the impaired receivables provided for above are within one year overdue.

Movements in the provision for impairment of receivables are as follows:

	Consolidated 30 Jun 2014 $'000
Additions through group reorganisation	74
Unused amounts reversed	(18)
Closing balance	56

Impairment of receivables are charged (or credited) to other expenses in profit or loss.

Past due but not impaired
The ageing of the past due but not impaired receivables are within one year overdue.

Note 9. Finance, trade and other receivables continued

	Consolidated 30 Jun 2014 $'000
Finance lessor commitments	
Committed at the reporting date and recognised as assets, receivable:	
Within one year	130
One to five years	31
Total commitment	161
Less: Future finance charges	(6)
Net commitment recognised as assets	155

Note 10. Inventories

	Consolidated 30 Jun 2014 $'000
End-of-term operating lease assets held for disposal	4,643
Amount expected to be recovered within 12 months	4,643

Note 11. Leased motor vehicle assets

	Consolidated 30 Jun 2014 $'000
Lease portfolio assets – at cost	25,974
Less: Accumulated depreciation	(9,814)
Less: Impairment	(472)
	15,688
Amount expected to be recovered within 12 months	8,465
Amount expected to be recovered after more than 12 months	7,223
	15,688

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

	Leased assets $'000	Total $'000
Consolidated		
Balance at 15 January 2014	–	–
Additions	8,060	8,060
Additions through group reorganisation	15,102	15,102
Disposals	(5,851)	(5,851)
Exchange differences	(216)	(216)
Amortisation expense	(1,407)	(1,407)
Balance at 30 June 2014	15,688	15,688

Note 12. Deferred tax

	Consolidated 30 Jun 2014 $'000
Deferred tax asset comprises temporary differences attributable to:	
Amounts recognised in profit or loss:	
Property, plant and equipment	405
Employee benefits	1,348
Deferred expenses	(154)
Provisions	4,816
Doubtful debts	235
Deferred income	5,417
Prepayments	(1,793)
Accrued expenses	2,341
	12,615
Amounts recognised in equity:	
Transaction costs on share issue	2,417
Deferred tax asset	15,032
Amount expected to be recovered after more than 12 months	15,032
Movements:	
Charged to profit or loss (note 7)	(1,077)
Credited to equity (note 7)	2,417
Additions through group reorganisation	13,692
Closing balance	15,032

Note 13. Property, plant and equipment

	Consolidated 30 Jun 2014 $'000
Leasehold improvements – at cost	679
Less: Accumulated depreciation	(653)
	26
Fixtures and fittings – at cost	2,535
Less: Accumulated depreciation	(1,519)
	1,016
Motor vehicles – at cost	233
Less: Accumulated depreciation	(76)
	157
	1,199
Amount expected to be recovered after more than 12 months	1,199

Note 13. Property, plant and equipment continued

Reconciliations

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

	Leasehold improvements $'000	Fixtures and fittings $'000	Motor vehicles $'000	Total $'000
Consolidated				
Balance at 15 January 2014	–	–	–	–
Additions	–	334	–	334
Additions through group reorganisation	29	831	178	1,038
Exchange differences	–	–	(2)	(2)
Depreciation expense	(3)	(149)	(19)	(171)
Balance at 30 June 2014	26	1,016	157	1,199

Note 14. Intangibles

	Consolidated 30 Jun 2014 $'000
Goodwill – at cost	136,460
Customer contracts – at cost	706
Software – at cost	4,725
Less: Accumulated amortisation	(526)
	4,199
	141,365
Amount expected to be recovered after more than 12 months	141,365

Reconciliations

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

	Goodwill $'000	Customer contracts $'000	Software $'000	Total $'000
Consolidated				
Balance at 15 January 2014	–	–	–	–
Additions	–	–	379	379
Additions through group reorganisation	136,460	706	3,999	141,165
Amortisation expense	–	–	(179)	(179)
Balance at 30 June 2014	136,460	706	4,199	141,365

Note 14. Intangibles continued

Impairment testing for goodwill

The impairment test was based on a value-in-use approach. The recoverable amount was determined to be higher than the carrying amount and therefore no impairment loss was recognised.

Value-in-use was determined by discounting the future cash flows generated from the continuing use of the business and was based on the following key assumptions:

- cash flows were projected based on actual operating results and the four-year business plan. Cash flow beyond Year 4 was projected at a growth rate of 0%;
- 7.6% p.a. projected revenue growth rate;
- direct costs were forecast based on the margins historically achieved by the business;
- overheads were forecast based on current levels adjusted for inflationary increases; and
- the Company's pre-tax weighted average cost of capital was applied in determining the recoverable amount. The discount rate was estimated using the Capital Asset Pricing model.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external and internal data sources.

Sensitivity analysis

Management estimates that any reasonable changes in the key assumptions would not have a significant impact on the value-in-use of intangible assets and goodwill that would require the assets to be impaired.

Note 15. Trade and other payables

	Consolidated 30 Jun 2014 $'000
Trade payables	33,812
Accrued expenses	6,628
Residual values payable to financiers	3,541
	43,981
Amount expected to be settled within 12 months	43,981

Refer to note 26 for further information on financial instruments.

The residual values payable to financiers are secured by the underlying operating lease asset as well as by bank guarantees and a cash lock-up of $8,554,000.

Note 16. Income tax

	Consolidated 30 Jun 2014 $'000
Provision for income tax	2,460
Amount expected to be settled within 12 months	2,460

Note 17. Employee benefits

	Consolidated 30 Jun 2014 $'000
Annual leave	2,453
Long service leave	2,135
	4,588
Amount expected to be settled within 12 months	2,453
Amount expected to be settled after more than 12 months	2,135
	4,588

Note 18. Residual risk provision

	Consolidated 30 Jun 2014 $'000
Residual risk	15,949
Amount expected to be settled within 12 months	3,555
Amount expected to be settled after more than 12 months	12,394
	15,949

Residual risk provision

The provision is to recognise the future liability relating to residual value exposures as described in notes 2 and 3.

Movements in provisions

Movements in the provision during the current financial period is set out below:

	Residual risk $'000
Consolidated – 30 Jun 2014	
Carrying amount at the start of the period	–
Additions through group reorganisation	17,080
Amounts used	(1,131)
Carrying amount at the end of the period	15,949

Note 19. Borrowings

	Consolidated 30 Jun 2014 $'000
Bank loans	32,250
Lease portfolio liabilities	11,266
	43,516
Amount expected to be settled within 12 months	7,877
Amount expected to be settled after more than 12 months	35,639
	43,516

Refer to note 26 for further information on financial instruments.

Total secured liabilities
The total secured liabilities are as follows:

	Consolidated 30 Jun 2014 $'000
Bank loans	32,250
Lease portfolio liabilities	11,266
	43,516

Assets pledged as security
Assets pledged as security for borrowings are:

Banking facilities
The banking facility is secured by guarantees and indemnities as well as fixed and floating charges or composite guarantees and debentures issued by the Company and its subsidiaries. The facility is repayable by way of a bullet payment of $32,250,000 in March 2016.

Lease portfolio liabilities
The lease portfolio liabilities are secured by the underlying funded assets and sub-hire agreements, together with irrevocable letter of credit, cash lock-ups and guarantees. These facilities are interest bearing and are repaid on a transactional basis as and when the underlying assets are disposed of.

Residual values payable to financiers
Refer to note 15 for security to financiers of residual value payables.

Note 19. Borrowings continued

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated 30 Jun 2014 $'000
Total facilities	
Banking facilities	40,314
Lease portfolio facilities	33,561
	73,875
Used at the reporting date	
Banking facilities	34,061
Lease portfolio facilities	11,266
	45,327
Unused at the reporting date	
Banking facilities	6,253
Lease portfolio facilities	22,295
	28,548

Note 20. Vehicle maintenance funds

	Consolidated 30 Jun 2014 $'000
Vehicle maintenance funds	14,947
Amount expected to be settled within 12 months	5,015
Amount expected to be settled after more than 12 months	9,932
	14,947

Note 21. Deferred income

	Consolidated 30 Jun 2014 $'000
Deferred income	23,117
Amount expected to be settled within 12 months	3,504
Amount expected to be settled after more than 12 months	19,613
	23,117

Note 22. Equity – issued capital

	Consolidated	
	30 Jun 2014 Shares	30 Jun 2014 $'000
Ordinary shares – fully paid	242,691,826	232,768

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	15 January 2014	2		–
Shares issued on acquisition of SG Fleet Holdings Pty Limited	6 March 2014	139,102,135	$0.34	46,951
Issue of shares on Initial Public Offering	6 March 2014	101,943,359	$1.85	188,595
Bonus shares issued to employees	6 March 2014	1,646,330	$1.85	3,046
Transaction costs		–	$0.00	(5,824)
Balance	30 June 2014	242,691,826		232,768

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

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

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital. The policy is also to maintain a strong capital base.

The Group is subject to certain financing arrangements covenants and meeting these are given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial period.

Note 23. Equity – reserves

	Consolidated 30 Jun 2014 $'000
Foreign currency reserve	(336)
Share-based payments reserve	122
Capital reserve	(119,158)
	(119,372)

Note 23. Equity – reserves continued

Foreign currency reserve

The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian Dollars.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Capital reserve

The reserve is used to recognise contributions from or to SG Fleet Group Limited and its controlled subsidiaries by shareholders.

Group reorganisation – SG Fleet Group Limited and SG Fleet Holdings Pty Limited

When SG Fleet Solutions Pty Limited, a subsidiary of SG Fleet Group Limited (the legal parent and legal acquirer), acquired SG Fleet Holdings Pty Limited and its subsidiaries (the legal subsidiary), the acquisition did not meet the definition of a business combination in accordance with AASB 3 'Business Combinations'. Instead, the combination has been treated as a group reorganisation, through an accounting policy choice using the common control method, as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect fair values, or recognise any new assets or liabilities, that would otherwise be required under AASB 3;
- No 'new' goodwill has been recognised as a result of the combination. The only goodwill that has been recognised is the existing goodwill of SG Holdings Pty Limited. The difference between the consideration paid of $232,768,000 and the equity 'acquired' of $113,610,000 is reflected in equity as a 'capital reserve' of $119,158,000; and
- The statement of profit or loss and other comprehensive income reflects the results of the combined entities from 6 March 2014.

Movements in reserves

Movements in each class of reserve during the current financial period are set out below:

	Foreign currency $'000	Share-based payments $'000	Capital $'000	Total $'000
Consolidated				
Balance at 15 January 2014	–	–	–	–
Foreign currency translation	(336)	–	–	(336)
Share-based payments	–	122	–	122
Group reorganisation	–	–	(119,158)	(119,158)
Balance at 30 June 2014	(336)	122	(119,158)	(119,372)

Note 24. Equity – retained profits

	Consolidated 30 Jun 2014 $'000
Retained profits at the beginning of the financial period	–
Profit after income tax expense for the period	15,620
Retained profits at the end of the financial period	15,620

Note 25. Equity – dividends

Dividends

On 18 August 2014, the Directors declared a fully-franked dividend of four cents per ordinary share. The final dividend will be paid on 29 October 2014 to shareholders registered on 8 October 2014. The financial effect of dividends declared after the reporting date are not reflected in the 30 June 2014 financial statements and will be recognised in subsequent financial reports.

Franking credits

	30 Jun 2014 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%	13,622

The above amounts represent the balance of the franking account as at the end of the financial period, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

The franking credits above excludes exempting credits.

Note 26. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and foreign currency risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit, Risk and Compliance Committee, which is responsible for managing risk. The Committee reports to the Board on its activities.

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

Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date was as follows:

	Assets 30 Jun 2014 $'000	Liabilities 30 Jun 2014 $'000
Consolidated		
Pound Sterling	14,426	6,279
New Zealand Dollars	4,510	987
	18,936	7,266

Note 26. Financial instruments continued

The Group had net assets denominated in foreign currencies of $11,670,000 (assets $18,936,000 less liabilities $7,266,000) as at 30 June 2014. Based on this exposure, had the Australian Dollar weakened by 10% / strengthened by 10% against these foreign currencies with all other variables held constant, the Group's profit before tax for the financial period would have been $1,167,000 higher / lower and equity would have been $1,167,000 higher / lower. The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements.

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group's main interest rate risk arises from its borrowings and cash at bank. Borrowings and cash at bank issued at variable rates expose the Group to interest rate risk. Borrowings issued at fixed rates expose the Group to fair value risk. The policy is to ensure that at least 60% of its exposure to changes in interest rates on general borrowings, other than lease portfolio borrowings, is on a fixed rate basis. Lease portfolio borrowings are entered into on a fixed interest rate basis, except for lease portfolio borrowings utilised to fund lease portfolio assets in inertia which are entered into on a variable rate basis.

As at the reporting date, the Group had the following variable rate bank accounts and other facilities:

	30 Jun 2014	
	Weighted average interest rate %	Balance $'000
Consolidated		
Lease portfolio facilities	6.21%	(6,558)
Residual value payables to financiers	3.99%	(3,541)
Cash at bank	2.96%	45,352
Secured deposits	3.70%	12,554
Net exposure to cash flow interest rate risk		47,807

An official increase / decrease in interest rates of 50 basis points would have a favourable / adverse effect on profit before tax and equity of $239,000 per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts' forecasts.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. Typically the Group ensures that it has sufficient cash or facilities on demand to meet expected operational expenses for a period of 90 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 26. Financial instruments continued

Financing arrangements

Unused borrowing facilities at the reporting date:

	Consolidated 30 Jun 2014 $'000
Banking facilities	6,253
Lease portfolio facilities	22,295
	28,548

Remaining contractual maturities

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

	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Consolidated – 30 Jun 2014						
Non-derivatives						
Non-interest bearing						
Trade payables	–%	33,812	–	–	–	33,812
Interest-bearing – variable						
Lease portfolio liabilities	6.21%	6,626	144	–	–	6,770
Residual value payable to financiers	3.99%	3,565	–	–	–	3,565
Interest-bearing – fixed rate						
Bank loans	9.06%	2,922	33,711	–	–	36,633
Lease portfolio facilities	4.81%	1,650	1,905	1,492	–	5,047
Total non-derivatives		48,575	35,760	1,492	–	85,827

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

Note 27. Fair value measurement

There were no assets or liabilities either measured or disclosed at fair value at the reporting date.

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

Note 28. Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Consolidated Period ended 30 Jun 2014 $
Short-term employee benefits	1,993,923
Post-employment benefits	14,585
Long-term benefits	53,393
Share-based payments	1,428,046
	3,489,947

In addition, fees paid to Non-Executive Directors prior to the IPO amounted to $52,900 plus superannuation of $2,725.

Note 29. Remuneration of auditors

During the financial period the following fees were paid or payable for services provided by KPMG, the auditor of the Company:

	Consolidated Period ended 30 Jun 2014 $
Audit services – KPMG	
Audit or review of the financial statements	390,066
Other services – KPMG	
Corporate advisory including IPO	905,095
	1,295,161

Note 30. Commitments – operating lease receivable

	Consolidated Period ended 30 Jun 2014 $'000
Committed at the reporting date, receivable:	
Within one year	4,004
One to five years	2,394
	6,398

Future minimum rentals receivable includes contracted amounts for motor vehicles under non-cancellable operating leases between one and five years.

Note 31. Contingent liabilities

The Group has entered into agreements under which the residual risk inherent in operating leases is transferred from the funder of the asset to the Group. Under these agreements, the Group is obliged to pay the guaranteed residual value amount at the end of their contractual lease term and sell the vehicle. Bank guarantees and letters of credit have been issued as security for these obligations.

The Group has executed certain guarantees and indemnities, as well as fixed and floating charges over the assets of the Group in favour of funders as security for banking and lease portfolio facilities provided to the Group.

Note 32. Commitments for expenditure

	Consolidated Period ended 30 Jun 2014 $'000
Lease commitments – operating	
Committed at the reporting date but not recognised as liabilities:	
Within one year	2,657
One to five years	4,266
	6,923
Capital commitments	
Committed at the reporting date but not recognised as liabilities:	
Intangible assets	4,383

Operating lease commitments includes contracted amounts for office accommodation and office equipment under non-cancellable operating leases expiring within one to five years with, in some cases, options to extend. The leases do not have escalation clauses. On renewal, the terms of the leases are renegotiated.

Capital commitments includes contracted amounts for the acquisition and development of Enterprise Resource Planning ('ERP') systems.

Note 33. Related party transactions

Parent entities

SG Fleet Group Limited is the parent entity. The ultimate parent entity is Super Group Limited, incorporated in South Africa and listed on the Johannesburg Stock Exchange.

Subsidiaries

Interests in subsidiaries are set out in note 35.

Key management personnel

Disclosures relating to key management personnel are set out in note 28 and the remuneration report in the Directors' report.

Transactions with related parties

There were no transactions with related parties during the financial period.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the reporting date.

Loans to/from related parties

There were no loans to or from related parties at the reporting date.

Note 34. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Consolidated Period ended 30 Jun 2014 $'000
Loss after income tax	(517)
Total comprehensive income	(517)

Statement of financial position

	Parent 30 Jun 2014 $'000
Total current assets	–
Total assets	448,580
Total current liabilities	5,621
Total liabilities	5,941
Equity	
Issued capital	443,156
Accumulated losses	(517)
Total equity	442,639

Note 34. Parent entity information continued

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity has not guaranteed the debts of its subsidiaries as at 30 June 2014.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2014.

Capital commitments – Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at as 30 June 2014.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity; and
- dividends received from subsidiaries are recognised as other income by the parent entity.

Note 35. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 30 Jun 2014 %
SG Fleet Solutions Pty Limited	Australia	100.00%
SG Fleet Holdings Pty Limited	Australia	100.00%
SG Fleet Finance Pty Limited	Australia	100.00%
SG Fleet Investments Pty Ltd	Australia	100.00%
SG Fleet Management Pty Limited	Australia	100.00%
SG Fleet Australia Pty Limited	Australia	100.00%
SG Fleet NZ Limited	New Zealand	100.00%
SG Fleet UK Limited	United Kingdom	100.00%
Fleet Care Services Pty Limited	Australia	100.00%
SG Fleet Salary Packaging Pty Limited	Australia	100.00%
Beta Dimensions Pty Limited	Australia	100.00%
SMB Car Sales Pty Limited	Australia	100.00%

Note 36. Events after the reporting period

Apart from the dividend declared as disclosed in note 25, no other matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 37. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated Period ended 30 Jun 2014 $'000
Profit after income tax expense for the period	15,620
Adjustments for:	
Depreciation and amortisation	1,757
Finance costs – non-cash	(430)
Share-based payments	122
Bonus share issue	3,046
Change in operating assets and liabilities:	
Increase in trade and other receivables	(5,044)
Decrease in inventories	1,091
Decrease in deferred tax assets	1,076
Decrease in other operating assets	192
Increase in trade and other payables	5,070
Increase in provision for income tax	2,141
Increase in employee benefits	471
Decrease in other provisions	(1,131)
Increase in deferred income	790
Net cash from operating activities	24,771

Note 38. Earnings per share

	Consolidated Period ended 30 Jun 2014 $'000
Profit after income tax attributable to the owners of SG Fleet Group Limited	15,620

	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	171,053,878
Adjustments for calculation of diluted earnings per share:	
Options over ordinary shares	5,796,623
Weighted average number of ordinary shares used in calculating diluted earnings per share	176,850,501

	Cents
Basic earnings per share	9.13
Diluted earnings per share	8.83

Note 39. Share-based payments

A share option plan has been established by the Group in order to incentivise certain employees and Key Management Personnel. On 4 March 2014 8,086,046 options were issued. The total expense for the period was $122,000.

Set out below are summaries of options granted under the plan:

30 Jun 2014							
Grant date	Expiry date	Exercise price	Balance at the start of the period	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the period
04/03/2014	30/06/2018	$1.85	–	8,086,046	–	–	8,086,046
			–	8,086,046	–	–	8,086,046

The weighted average remaining contractual life of options outstanding at the end of the financial period was four years.

For the options granted during the current financial period, the Black-Scholes valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
04/03/2014	30/06/2018	$1.61	$1.85	35.00%	5.70%	3.13%	$0.252

Directors' declaration

In the Directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the Group's financial position as at 30 June 2014 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.

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

On behalf of the Directors

Andrew Reitzer
Chairman

Robbie Blau
Chief Executive Officer

18 August 2014
Sydney

Independent auditor's report to the members of SG Fleet Group Limited

Report on the financial report

We have audited the accompanying financial report of SG Fleet Group Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2014, and consolidated statement of profit and loss and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period ended on that date, notes 1 to 39 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the period's end or from time to time during the financial period.

Directors' responsibility for the financial report

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

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

   (i) giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance for the period ended on that date; and

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

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

Report on the remuneration report

We have audited the Remuneration Report included in pages 16 to 25 of the directors' report for the period ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of SG Fleet Group Limited for the period ended 30 June 2014, complies with Section 300A of the *Corporations Act 2001*.

KPMG

Peter Russell
Partner

Sydney

18 August 2014

Shareholder Information

The shareholder information set out below was applicable as at 31 July 2014.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of options over ordinary shares
1 to 1,000	23	–
1,001 to 5,000	108	–
5,001 to 10,000	242	–
10,001 to 100,000	650	–
100,001 and over	79	9
	1,102	9
Holding less than a marketable parcel	3	–

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Number held	Ordinary shares % of total shares issued
Bluefin Investments Limited	122,793,532	50.60
Citicorp Nominees Pty Ltd	14,942,292	6.16
National Nominees Limited	11,923,259	4.91
BNP Paribas Noms Pty Ltd (DRP)	11,011,991	4.54
RBC Investor Services Australia Nominees Pty Limited (PI Pooled A/C)	8,061,355	3.32
Robert Pinkas Blau	6,756,425	2.78
J P Morgan Nominees Australia Limited	5,097,954	2.10
Bluefin Investments Limited	4,706,468	1.94
HSBC Custody Nominees (Australia) Limited	4,238,159	1.75
UBS Nominees Pty Ltd	3,301,807	1.36
Brispot Nominees Pty Ltd (House Head Nominee NO 1 A/C)	2,520,165	1.04
Kevin Victor Wundram	1,863,840	0.77
Pacific Custodians Pty Limited (Equity Plans Tst A/C)	1,646,330	0.68
Mr David John Fernandes	1,630,860	0.67
Invia Custodian Pty Limited (Best Superannuation P/L A/C)	1,200,000	0.49
Yogan Nagaratnam + Sheila Shanthy Nagaratnam (Cobragem Superfund A/C)	1,197,925	0.49
Citicorp Nominees Pty Limited (Colonial First State Inv A/C)	1,099,136	0.45
HSBC Custody Nominees (Australia) Limited – A/C 2	1,089,781	0.45
Andrew Brian Mulcaster + Helen Jane Mulcaster (Mulcaster Superfund A/C)	1,006,255	0.41
Ron Polkinghorne Super Fund Pty Ltd (Ron Polkinghorne S/Fund A/C)	931,920	0.38
	207,019,454	85.29

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	8,086,046	9

Substantial holders

Substantial holders in the Company are set out below:

	Number held	Ordinary shares % of total shares issued
Bluefin Investments Limited	126,200,000	52.00
Perpetual Limited	12,387,925	5.10

The above table is based on the most recent forms lodged by Bluefin Investments Limited on 25 June 2014 and Perpetual Limited on 11 March 2014.

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

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

There are no other classes of equity securities.

Restricted securities

Class	Expiry date	Number of shares
Fully Paid Ordinary Shares	Earlier of the date on which the audited financial statements of the Company for the financial year ending 30 June 2015 are released and the date on which the escrowed shareholder ceases to be an employee of the Company or its subsidiaries if his/her employment is terminated under specified conditions	16,308,605
Fully Paid Ordinary Shares	Date on which the audited financial statements of the Company for the financial year ending 30 June 2015 are released	823,165
Fully Paid Ordinary Shares	28 February 2017	823,165
		17,954,935

Corporate Directory

Directors
Andrew Reitzer – Independent Non-Executive Chairman
Robbie Blau – Chief Executive Officer
Cheryl Bart AO – Independent Non-Executive Director
Graham Maloney – Independent Non-Executive Director
Peter Mountford – Non-Executive Director
Kevin Wundram – Alternate Director for Robbie Blau and Chief Financial Officer
Colin Brown – Alternate Director for Peter Mountford

Company secretary
Julianne Lyall-Anderson

Notice of annual general meeting
The details of the annual general meeting of SG Fleet Group Limited are:

Hobart Room, Lobby Level
The Sofitel Sydney Wentworth
61-101 Phillip Street
Sydney NSW 2000
On 20 November 2014 commencing at 2:00 pm

Registered office
Level 2, Building 3
20 Bridge Street
Pymble NSW 2073
Telephone: +61 2 9494 1000
Facsimile: +61 2 9899 9233

Principal place of business
Level 2, Building 3
20 Bridge Street
Pymble NSW 2073
Telephone: +61 2 9494 1000
Facsimile: +61 2 9899 9233
E-mail: globalenquiries@sgfleet.com

Share register
The Registrar
Computershare Investor Services Pty Ltd
GPO Box 2975, Melbourne Victoria 3001
Telephone: +61 3 9415 4000 or 1300 850 505
Facsimile: +61 3 9473 2500 or 1800 783 447
E-mail: web.queries@computershare.com.au
Website: www.investorcentre.com

Auditor
KPMG
10 Shelley Street
Sydney NSW 2000

Stock exchange listing
SG Fleet Group Limited shares are listed on the Australian Securities Exchange (ASX code: SGF).

Website
www.sgfleet.com

Enquiries
investorenquiries@sgfleet.com

Business objectives and cash use
SG Fleet Group Limited has used cash and cash equivalents held at the timing of listing, in a way consistent with its stated business objectives.

Notice of Annual General Meeting 2014

SG Fleet Group Limited
ABN 40 167 554 574

Notice is given that the first Annual General Meeting of SG Fleet Group Limited (the Company) will be held on Thursday 20 November 2014 at the Hobart Room, Lobby Level, the Sofitel Sydney Wentworth, 61-101 Phillip Street, Sydney, New South Wales commencing at 2.00 pm AEDT.

Agenda

1. Financial Report, Directors' Report and Auditor's Report

To receive and consider the Financial Report of the Company and the Reports of the Directors and Auditor for the financial year ended 30 June 2014.

2. Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That the Remuneration Report (which forms part of the Directors' Report) for the financial year ended 30 June 2014 be adopted".

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

3. Re-election of Graham Edward Maloney

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Graham Edward Maloney, who retires in accordance with ASX Listing Rule 14.5 and Rule 8.1(f) of the Company's Constitution, and being eligible, is re-elected as a Director of the Company".

4. Appointment of Auditor

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

"That KPMG of 10 Shelley Street, Sydney, New South Wales, having been duly nominated by a shareholder of the Company and having consented in writing to act, be appointed as auditor of the Company".

Further information about each item of business is set out in the Explanatory Notes accompanying and forming part of this Notice of Annual General Meeting.

Voting Exclusion Statement

In accordance with the Corporations Act 2001 (Cth) (Corporations Act), the Company will disregard any votes cast on Item 2:

(a) by or on behalf of a member of the Company's key management personnel (KMP) named in the Remuneration Report or their closely related parties (such as close family members or any controlled entities), regardless of the capacity in which the votes are cast; and

(b) as a proxy by a person who is a member of the KMP on the date of the Annual General Meeting or their closely related parties.

However, the Company will not disregard any votes if they are cast as proxy for a person entitled to vote on Item 2:

(a) in accordance with a direction on the Proxy Form; or

(b) by the Chairman of the Meeting pursuant to an express authorisation to vote as the proxy decides, even though Item 2 is connected with the remuneration of the Company's KMP.

Entitlement to Attend and Vote

The Board has determined that, for the purposes of determining voting entitlements at the Annual General Meeting, those persons who are registered as holding shares in the Company at 7.00 pm (AEDT) on Tuesday 18 November 2014 will be entitled to vote.

Proxies

A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of the shareholder. A shareholder may appoint not more than two proxies. A proxy need not be a member of the Company, and may be an individual or a body corporate.

If a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the Corporations Act; and
- provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

If such evidence is not received before the meeting, then the body corporate (through its representative) will not be permitted to act as a proxy.

A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes which each proxy is appointed to exercise. If you wish to appoint a proxy, please complete and submit the Proxy Form accompanying this Notice of Annual General Meeting, by following the instructions contained in the Proxy Form.

On a show of hands, every person present and entitled to vote shall have one vote. If you have appointed a proxy and the proxy appointed is also a shareholder, or proxy for another shareholder, any direction to the proxy on how to vote may not be effective on a show of hands. Your directions will be effective if a poll is held, subject to any applicable voting exclusions.

Shareholders can direct their proxy how to vote by following the instructions on the Proxy Form, and are encouraged to do so.

If a shareholder appoints a member of the Company's KMP (which includes Directors) or one of the KMP's closely related parties (such as close family members or any controlled entities) as proxy, they will not be able to cast the shareholder's votes on Item 2, unless they are directed how to vote or the Chairman of the Meeting is appointed as proxy. If the Chairman of the Meeting is appointed as a shareholder's proxy or becomes their proxy by default, and the shareholder does not mark a voting box for Item 2, then by completing and submitting the Proxy Form, the shareholder will be expressly authorising the Chairman of the Meeting to exercise the proxy in respect of the relevant item as the Chairman decides, even though the item is connected with the remuneration of the Company's KMP. The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

Lodgement of Proxy Forms

Proxy Forms may be lodged with the Company's Share Registry by hand at Computershare Investor Services Pty Limited, 60 Carrington Street, Sydney New South Wales 2000, by post to Computershare Investor Services Pty Limited, GPO Box 242 Melbourne Victoria 3001 Australia or by fax (within Australia) 1800 783 447 or (outside Australia) +61 3 9473 2555, or at the Company's registered office at SG Fleet Group Limited, Level 2, Building 3, 20 Bridge Street, Pymble, New South Wales 2073, or fax to +61 (0)2 9391 5656.

To be effective, your Proxy Form and the Power of Attorney or other authority (if any) under which it is signed (or a copy of the Power of Attorney or other authority, certified as a true copy by Statutory Declaration), must be received no later than 48 hours prior to the Annual General Meeting (i.e. no later than 2.00pm (AEDT) on Tuesday 18 November 2014) in one of the ways specified above.

Dated 23 September 2014
By order of the Board

J Lyall-Anderson

Julianne Lyall-Anderson
Company Secretary

Explanatory Notes

These Explanatory Notes have been prepared to help shareholders understand the business to be put to shareholders at the 2014 Annual General Meeting. These Explanatory Notes form part of the Notice of Annual General Meeting and should be read with the Notice of Annual General Meeting.

Item 1 – Financial Report, Directors' Report and Auditor's Report

As required by section 317 of the Corporations Act, the Financial Report, Directors' Report and Auditor's Report of the Company for the financial year ended 30 June 2014 will be laid before the Annual General Meeting. Shareholders will be provided with the opportunity to ask questions or raise comments about the Reports or on the management of the Company. Also, a reasonable opportunity will be given to shareholders to ask the Company's auditor questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the Financial Report and the independence of the auditor in relation to the conduct of the audit.

As there is no requirement for a formal resolution on this item, a resolution will not be put to the meeting.

Item 2 – Remuneration Report

Under the Corporations Act, the Company is required to include, in the Directors' Report, a detailed Remuneration Report setting out certain prescribed information relating to Directors' and executives' remuneration, and submit this for adoption by resolution of shareholders at the Annual General Meeting.

The Company's Remuneration Report for the financial period ended 30 June 2014 is set out in the Directors' Report which forms part of the Company's 2014 Annual Report, a copy of which was provided to shareholders with this Notice of Annual General Meeting.

The Remuneration Report discusses matters including the remuneration policy of the Company, the remuneration paid to Directors and executives who are members of the Company's KMP, and the relationship between remuneration of those Directors and executives and performance.

The vote on this resolution is advisory only and does not bind the Directors or the Company.

Board recommendation

The Directors recommend that shareholders vote in favour of the resolution to adopt the Remuneration Report.

Item 3 – Re-election of Graham Edward Maloney as a Director

ASX Listing Rule 14.5 requires the Company to hold an election for at least one director of the Company each year. In accordance with Rule 8.1(f) of the Company's Constitution, Graham Edward Maloney retires, and being eligible, offers himself for re-election.

The experience, qualifications and other information about Mr Maloney are set out below.

Mr Maloney was appointed as a Director of the Company on 15 January 2014 and is an independent Non-executive Director who is Chairman of the Audit, Risk and Compliance Committee.

Mr Maloney has over 40 years of experience in financial services, including superannuation, life insurance, commercial banking, investment banking and stock broking. He is the CEO of Stratagm, which he established in 2009 to provide strategic and financial advisory services to both businesses and individuals. Mr Maloney's experience includes roles as Division Director at Macquarie Capital and as Group Treasurer at National Australia Bank.

Mr Maloney's qualifications are a Bachelor of Arts from the University of Sydney, Associate of the Institute of Actuaries of Australia, Fellow of the Australian Institute of Company Directors.

Board recommendation

The Directors (Mr Maloney abstaining) recommend that shareholders vote in favour of the re-election of Mr Maloney as a Director.

Explanatory Notes

Item 4 – Appointment of Auditor

KPMG was appointed as the auditor of the Company by the Board (having received the required written consent from KPMG) in accordance with section 327A(1) of the Corporations Act on 10 February 2014, following the Company's incorporation. In accordance with section 327A(2) of the Corporations Act, that appointment will lapse at the first Annual General Meeting, and section 327B(1)(a) of the Corporations Act requires shareholders to approve the appointment of an auditor at the first Annual General Meeting. The Company is seeking shareholder approval of the appointment of KPMG as the Company's auditor.

KPMG has been duly nominated for appointment as the Company's auditor by a shareholder of the Company, as required by section 328B of the Corporations Act. A copy of the shareholder's written notice of nomination is set out below.

18 August 2014

Julianne Lyall-Anderson
Company Secretary
SG Fleet Group Limited
Level 2, Building 3
20 Bridge Street
Pymble NSW 2073

Dear Ms Lyall-Anderson

Notice of Nomination of Auditor

In accordance with section 328B(1) of the *Corporations Act 2001* (Cth) ("Act"), I, Kevin Wundram, being a shareholder of SG Fleet Group Limited (the Company), hereby nominate KPMG for appointment as auditor of the Company at the Annual General Meeting of the Company to be held on Thursday 20 November 2014, or at any adjournment thereof.

Yours sincerely

Kevin Wundram

Board recommendations

The Directors recommend that shareholders vote in favour of the appointment of KPMG as auditor.

SG Fleet Group Limited
ACN 167 554 574

000001 000 SGF

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:

By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 2.00 pm (AEDT) on Tuesday 18 November 2014

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

Proxies: A proxy need not be a member of the Company, and may be an individual or a body corporate.

If a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the Corporations Act; and
- provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

If such evidence is not received before the meeting, then the body corporate (through its representative) will not be permitted to act as a proxy.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔

View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

☑ **Review your securityholding**

☑ **Update your securityholding**

Your secure access information is:

SRN/HIN: I9999999999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

I 9999999999 IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of SG Fleet Group Limited hereby appoint

☐ **the Chairman of the Meeting** **OR** ________

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of SG Fleet Group Limited to be held at the Hobart Room, Lobby Level, the Sofitel Sydney Wentworth, 61-101 Phillip Street, Sydney, NSW on Thursday 20 November 2014 at 2.00 pm (AEDT) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Item 2 (except where I/we have indicated a different voting intention below) even though Item 2 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Item 2 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
2	Remuneration Report	☐	☐	☐
3	Re-election of Graham Edward Maloney	☐	☐	☐
4	Appointment of Auditor	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name ________ Contact Daytime Telephone ________ Date ___ / ___ / ___

computershare

SG Fleet Group Limited
ACN 167 554 574

All general correspondence to:
Computershare Investor Services Pty Limited
GPO Box 2975 Melbourne
Victoria 3001 Australia
Enquiries (within Australia) 1300 855 080
(outside Australia) +61 3 9415 4000
Facsimile +61 3 9473 2500
www.computershare.com.au

⊢ 000002 000 SGFRM
MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SURBURB
SAMPLETOWN VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with your securityholding in SG Fleet Group Limited. Unfortunately, our correspondence has been returned to us marked “Unknown at the current address”. For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors’ report and auditor’s report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

> Securityholder Reference Number (SRN);
> ASX trading code;
> Name of company in which security is held;
> Old address; and
> New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

Julianne Lyall-Anderson
Company Secretary