

## CABCHARGE AUSTRALIA LIMITED

ABN 99 001 958 390

### APPENDIX 4D

Half Yearly Report

Period Ended 31 December 2014

#### Results for announcement to the market

*Extracts from this report for announcement to the market*

**\$A'000**

Revenue	<b>Down</b>	<b>2.1%</b>	to	<b>100,432</b>
Net Profit after tax attributable to members	<b>Down</b>	<b>13.4%</b>	to	<b>31,196</b>
<b>Dividends (distributions)</b>		Amount per share		Franked amount per share
Interim dividend	(Current period)	10¢		10¢
	(Previous period)	15¢		15¢

Date the dividend is payable

29 April 2015

Record date for determining entitlements to the dividend

31 March 2015



Chip Beng Yeoh  
Chief Financial Officer

Date: 27th day of February 2015



## **Consolidated Half Yearly Financial Statements 31 December 2014**

**Cabcharge Australia Limited**  
**ABN 99 001 958 390**  
**[www.cabcharge.com.au](http://www.cabcharge.com.au)**

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## **CABCHARGE AUSTRALIA LIMITED**

### **CONSOLIDATED HALF YEARLY FINANCIAL STATEMENTS - 31 DECEMBER 2014**

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## **DIRECTORS' REPORT**

The Directors of Cabcharge Australia Limited present their half yearly report on the Company and its controlled entities for the half year ended 31 December 2014 and the review report thereon.

### **Directors**

The Directors of Cabcharge Australia Limited in office at any time during or since the end of the half year are as follows:

Russell Balding, AO (Chairman)

Neill Ford (Deputy Chairman)

Andrew Skelton (Managing Director & CEO) - appointed 10 December 2014

Donnald McMichael

Richard Millen

Ian Armstrong - resigned 31 October 2014

Philip Franet - ceased 3 August 2014

Rodney Gilmour - resigned 25 November 2014

Directors have been in office since the start of the period to the date of this report unless otherwise stated.

### **Review of Operations**

	<b>31 Dec 14</b>	<b>31 Dec 13</b>	<b>Growth %</b>
Revenue (\$m)	100.4	102.6	-2.1%
Profit after tax (\$m)	31.2	36.0	-13.4%
Earnings per share (cents)	25.9	29.9	-13.4%
Net assets per share, excluding Goodwill (\$)	3.09	2.90	6.4%

The Group's revenue for the six months ended 31 December 2014 (1H15) was \$100.4 million, a decrease of \$2.1 million or 2.1% from revenue for the six months ended 31 December 2013 (1H14) of \$102.6 million.

Taxi Related Services revenue was \$49.7 million, an increase of \$0.8 million from the same period last year of \$48.9 million. Growth in revenue from more taxis joining our taxi networks in Sydney and Melbourne was offset by lower revenue at our taxi training and taxi fitout units and at TCS Smash Repair Service which was closed down in July 2014.

Revenue from Taxi Service Fee Income of \$44 million was \$4.5 million lower than \$48.5 million in 1H14, due to the imposition of a price cap on service fees in Victoria throughout the duration of the 6 month period at the rate of 5% inclusive of GST. The Government of New South Wales imposed a price cap on the service fee on taxi payments at the rate of 5% inclusive of GST with effect from 12 December 2014.

Other revenue of \$6.6 million was \$1.6 million higher due mainly to contributions by EFT Solutions and the school bus contract business at Yellow Cabs South Australia.

For 1H15, turnover through Cabcharge payment terminals in Victoria increased by approximately \$51 million or 39% over the previous corresponding period (pcp). The combination of increased turnover and the price cap on service fees has resulted in taxi service fee income being reduced by approximately \$4.7 million in Victoria for 1H15.

In New South Wales, from 12 December 2014 to 31 December 2014, turnover through Cabcharge payment terminals increased by approximately \$1.4 million or 10% over the pcp. The combination of increased turnover and the price cap on service fees resulted in a reduction of taxi service fee income by approximately \$0.6 million in New South Wales during the period from 12 December 2014 to 31 December 2014.

Operating expenses for 1H15 were \$65 million compared to \$64.4 million for the pcp. Processing fees paid to taxi networks were lower due mainly to the reduction in fees paid to taxi networks in Victoria. Costs of Taxi Related Services were also lower due to lower lease fees paid to taxi licence plate owners and lower costs at our taxi fitout units and the cessation of activities at TCS Smash Repairs. Employee benefit expenses and Administration expenses were higher due to increased activities at the Taxi Networks, the school bus contract business in Yellow Cabs South Australia and at EFT Solutions. In 1H15, actions were taken to reduce operating expenses going forward. These savings total \$7m on an annualised basis.

The Group's Net Profit After Tax (NPAT) excluding Associates for 1H15, was \$22.8 million, a decline of \$1.6 million or 6.5% from the pcp.

The equity accounted net profit contribution from our Associates, ComfortDelGro Cabcharge Pty Ltd and CityFleet Network Ltd, for 1H15 of \$8.4 million declined by \$3.3 million or 27.7% compared to \$11.7 million in 1H14. CDC's equity accounted net profit contribution for 1H15 was \$7.6 million, a decline of \$3.3 million or 29.9% over the same period last year, due to its loss of the bus contracts in Regions 1 and 3 in Sydney in October 2013, costs incurred from transition into the new Region 4 contract and additional costs associated with growth in services in other regions, offset by the contributions of Blue Mountain Transit and an increase in route services. CFN's equity accounted net profit contribution for half year ended 31 December 2014 was \$0.8 million, an increase of 4.1% over the same period last year, due to the impact of a favourable currency translation difference.

The Group's NPAT for 1H15 was \$31.2 million, a decline of \$4.8 million or 13.4% from the pcp of \$36.0 million.

Shareholders' funds as at 31 December 2014 increased to \$386.9 million from \$366.3 million at 30 June 2014. This is largely due to the current half year's net profit after tax earned less dividends paid during the period.

Total borrowings at 31 December 2014 were \$139.7 million, a reduction of \$19.4 million from \$159.1 million on 30 June 2014. The Company has benefited from lower net interest expense of \$3 million compared to \$3.4 million in 1H14. Net debt to equity at 31 December 2014 was 29.9% compared to 32% at 30 June 2014. The available liquidity at 31 December 2014 was \$90.2 million (30 June 2014: \$92.9 million), consisting of \$24.2 million (30 June 2014: \$41.9 million) in cash and \$66 million (30 June 2014: \$51 million) in unused facilities.

The Group's balance sheet remains strong. The Group continues to operate within its banking covenants.

The operating cash flow for 1H15 was \$25 million, compared to \$27.4 million in the pcp. Cash conversion was 59% compared to 62% for the previous half year.

The Board continues to maintain a prudent approach to financial management. The fully franked dividend for 1H15 will be 10 cents (31 December 2013: 15 cents), with a record date of 31 March 2015 and a payment date of 29 April 2015.

## **Outlook**

Our revenue remains under pressure. Our Taxi Service Fee income has decreased as the impact of a lower Effective Service Fee rate outweighed Turnover Growth. Recently the Government of Western Australia imposed a price cap on our service fees of 5% inclusive of GST with effect from 24 February 2015. The impact from that change is anticipated to be a reduction in Taxi Service Fee income of approximately \$4 million.

We are determined to leverage our payments expertise outside the taxi industry. The payments industry is increasing in size as fewer payments depend on cash and at the same time opening up with an array of service providers who are less dependent on infrastructure. Cabcharge has skills and experience that can deliver value in some segments of the new payments industry.

One of our responses to revenue pressure has been to undertake a first round of cost saving initiatives. Decisive actions have enabled us to achieve annualised cost savings of \$7 million. We will continue to actively review our cost base in light of the revenue outlook.

Over the course of 2015 we will consolidate our taxi network operations onto a single set of technologies. Coordinating our taxi network technology will reduce costs and most importantly improve our services. Further, this coordinated approach will help us broaden our offerings in taxi network services.

Our business continues to be challenged by competitors and market disruptions. Our best response is to focus on retaining our existing customers by improving our offerings and services. We have many millions of customer interactions each year. A key task for us is to ensure that we maintain and grow our customer interactions regardless of which channel customers choose.

## **Events subsequent to balance date**

No matter or circumstance has arisen since 31 December 2014 that has significantly affected or may significantly affect the Group's operations in future financial periods, or the results of those operations in future financial periods, or the Group's state of affairs in future financial periods.

## **Dividend**

The Directors have declared an interim dividend of 10 cents per share (fully franked) scheduled to be paid on 29 April 2015. The record date to determine entitlement to dividend is 31 March 2015.


## **Lead auditor's independence declaration**

The lead auditor's independence declaration is set out on page 4 and forms part of the directors' report for the half year ended 31 December 2014.

## **Rounding**

The amounts contained in this report and in the half yearly financial statements have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the Board of Directors



**Russell Balding, AO**

Director



**Andrew Skelton**

Director

Dated at Sydney this 27th day of February 2015



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

To: the directors of Cabcharge Australia Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2014 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Julie Cleary  
*Partner*

Sydney  
27 February 2015

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2014**  
**CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES**

<i>in thousands of AUD</i>	<b>Note</b>	<b>Dec 2014</b>	<b>Dec 2013</b>
Revenue	2	100,432	102,552
Other income	2	49	11
Processing fees to taxi networks		(8,956)	(10,342)
Cost of taxi related services		(18,293)	(18,480)
Employee benefits expenses		(19,234)	(18,582)
Administration expenses		(7,166)	(6,250)
Transaction processing expenses		(1,844)	(1,805)
Depreciation and amortisation		(6,693)	(6,326)
Other expenses		(2,774)	(2,656)
<b>Results from operating activities</b>		<b>35,521</b>	<b>38,122</b>
Finance income		811	987
Finance costs		(3,818)	(4,409)
<b>Net finance costs</b>		<b>(3,007)</b>	<b>(3,422)</b>
Share of profit of equity accounted investees (net of income tax)	3	8,427	11,662
<b>Profit before income tax</b>		<b>40,941</b>	<b>46,362</b>
Income tax expense		(9,745)	(10,344)
<b>Profit for the period attributable to owners of the Company</b>		<b>31,196</b>	<b>36,018</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Share of other comprehensive income of associates, net of tax		1,245	3,783
Change in fair value of cash flow hedge		(147)	(311)
Net change in fair value of available-for-sale financial assets		571	477
Net change in fair value of available-for-sale financial assets transferred to profit or loss		(128)	-
Income tax on other comprehensive income		(89)	(50)
<b>Other comprehensive income for the period, net of income tax</b>		<b>1,452</b>	<b>3,899</b>
<b>Total comprehensive income for the period attributable to owners of the Company</b>		<b>32,648</b>	<b>39,917</b>
<b>Earnings per share</b>			
Basic earnings per share (AUD)		25.9 cents	29.9 cents
Diluted earnings per share (AUD)		25.9 cents	29.9 cents

The accompanying condensed notes form an integral part of these consolidated Half Yearly Financial Statements.



## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES

<i>in thousands of AUD</i>	Note	Dec 2014	Jun 2014
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		24,169	41,856
Trade and other receivables		69,031	65,257
Advances to associates		3,920	-
Other current assets		3,713	2,953
Inventories		3,441	2,922
<b>TOTAL CURRENT ASSETS</b>		<b>104,274</b>	<b>112,988</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables		8,292	8,819
Financial assets		6,671	6,260
Advances to associates		18,812	18,812
Investments in associates accounted for using the equity method	3	284,479	274,807
Property, plant and equipment		39,118	38,265
Deferred tax assets		4,157	4,351
Taxi plate licences	4	71,128	71,383
Goodwill	4	15,032	15,032
Intellectual property	4	9,923	9,617
<b>TOTAL NON-CURRENT ASSETS</b>		<b>457,612</b>	<b>447,346</b>
<b>TOTAL ASSETS</b>		<b>561,886</b>	<b>560,334</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		22,905	22,335
Loans and borrowings		5,730	10,065
Interest rate swaps		1,041	894
Current tax liabilities		5,633	6,319
Employee benefits		4,719	4,596
<b>TOTAL CURRENT LIABILITIES</b>		<b>40,028</b>	<b>44,209</b>
<b>NON-CURRENT LIABILITIES</b>			
Loans and borrowings		134,000	149,000
Employee benefits		966	839
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>134,966</b>	<b>149,839</b>
<b>TOTAL LIABILITIES</b>		<b>174,994</b>	<b>194,048</b>
<b>NET ASSETS</b>		<b>386,892</b>	<b>366,286</b>
<b>EQUITY</b>			
Share capital		138,325	138,325
Reserves		(2,066)	(3,519)
Retained earnings		250,633	231,480
<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF CABCHARGE AUSTRALIA LTD</b>		<b>386,892</b>	<b>366,286</b>

The accompanying condensed notes form an integral part of these consolidated Half Yearly Financial Statements.

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2014**  
**CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES**

*in thousands of AUD*

	Note	Dec 2014	Dec 2013
<b>Cash Flows from Operating Activities</b>			
Receipts from customers and others		679,446	629,624
Payments to suppliers, licensees and employees		(640,642)	(588,570)
Dividends received		76	61
Interest received		811	780
Finance costs paid		(3,998)	(4,165)
Income tax paid		(10,661)	(10,336)
<b>Net Cash provided by operating activities</b>		<b>25,032</b>	<b>27,394</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of property, plant and equipment		(6,128)	(2,004)
Payments for development of intellectual property		(1,814)	(1,257)
Payments for other investments		(100)	-
Purchase of taxi licence plates		-	(352)
Advances to associates		(7,840)	-
Repayments of advances to associates		3,920	17,977
Proceeds from sale of property, plant and equipment		346	71
Proceeds from sale of investments		275	-
<b>Net Cash provided by (used in) investing activities</b>		<b>(11,341)</b>	<b>14,435</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from borrowings		-	5,138
Repayment of borrowings		(19,335)	(52,500)
Dividends paid		(12,043)	(14,452)
<b>Net Cash (used in) financing activities</b>		<b>(31,378)</b>	<b>(61,814)</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>(17,687)</b>	<b>(19,985)</b>
Cash and cash equivalents at the beginning of the period		41,856	43,915
<b>Cash and cash equivalents at the end of the period</b>		<b>24,169</b>	<b>23,930</b>
<b>Reconciliation of cash</b>			
Reconciliation of cash and cash equivalents at the end of the period (as shown in the consolidated statements of cash flows) to the related items in the accounts is as follows.			
Cash on hand and at bank		13,266	13,697
Deposits at call		10,903	10,233
<b>Total cash at end of period</b>		<b>24,169</b>	<b>23,930</b>

The accompanying condensed notes form an integral part of these consolidated Half Yearly Financial Statements.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2014**  
**CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES**

*in thousands of AUD*

	Share capital	Reserve	Retained earnings	Total equity
<b>Balance at 1 July 2013</b>	<b>138,325</b>	<b>(7,071)</b>	<b>207,877</b>	<b>339,131</b>
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	36,018	36,018
<i>Other comprehensive income</i>				
Share of associates' foreign currency translation differences, net of tax	-	3,783	-	3,783
Change in fair value of cash flow hedge, net of tax	-	(218)	-	(218)
Net change in fair value of available-for-sale financial assets, net of tax	-	334	-	334
Total other comprehensive income	-	3,899	-	3,899
Total comprehensive income for the period	-	3,899	36,018	39,917
<b>Transactions with owners, recorded directly in equity</b>				
<i>Contributions by and distributions to owners</i>				
Dividends to equity holders	-	-	(14,452)	(14,452)
Total contributions by and distributions to owners	-	-	(14,452)	(14,452)
Total transactions with owners	-	-	(14,452)	(14,452)
<b>Balance at 31 December 2013</b>	<b>138,325</b>	<b>(3,172)</b>	<b>229,443</b>	<b>364,596</b>
<b>Balance at 1 July 2014</b>	<b>138,325</b>	<b>(3,518)</b>	<b>231,480</b>	<b>366,287</b>
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	31,196	31,196
<i>Other comprehensive income</i>				
Share of associates' foreign currency translation differences, net of tax	-	1,245	-	1,245
Change in fair value of cash flow hedge, net of tax	-	(103)	-	(103)
Net change in fair value of available-for-sale financial assets, net of tax	-	400	-	400
Net change in fair value of available-for-sale financial assets transferred to profit or loss, net of tax	-	(90)	-	(90)
Total other comprehensive income	-	1,452	-	1,452
Total comprehensive income for the period	-	1,452	31,196	32,648
<b>Transactions with owners, recorded directly in equity</b>				
<i>Contributions by and distributions to owners</i>				
Dividends to equity holders	-	-	(12,043)	(12,043)
Total contributions by and distributions to owners	-	-	(12,043)	(12,043)
Total transactions with owners	-	-	(12,043)	(12,043)
<b>Balance at 31 December 2014</b>	<b>138,325</b>	<b>(2,066)</b>	<b>250,633</b>	<b>386,892</b>

The accompanying condensed notes form an integral part of these consolidated Half Yearly Financial Statements.

## Notes to the Consolidated Half Yearly Financial Statements FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

### CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES

#### 1. BASIS OF PREPARATION OF THE HALF YEARLY FINANCIAL STATEMENTS

##### (i) Reporting Entity

Cabcharge Australia Limited (the "Company") is a for-profit company domiciled in Australia. The consolidated half yearly financial statements of the Company as at and for the six months ended 31 December 2014 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities.

##### (ii) Statement of compliance

The consolidated half yearly financial statements are general purpose financial statements which have been prepared in accordance with AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

The consolidated half yearly financial statements do not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2014.

These consolidated half yearly financial statements were authorised for issue by the Board of Directors on 27 February 2015.

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

##### (iii) Significant accounting policies

The accounting policies applied by the Group in these consolidated half yearly financial statements are the same as those applied by the Group in its consolidated financial report as at and for year ended 30 June 2014.

##### (iv) Estimates

The preparation of half yearly financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these consolidated half yearly financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated annual financial report as at and for the year ended 30 June 2014 with the exception of those applied in management's consideration of impairment as discussed in Note 3.

##### (v) Comparative figures

Comparative figures have been restated in order to comply with the presentation adopted in the current period.

	Dec 2014	Dec 2013
	\$A'000	\$A'000
<b>2. Revenue and income</b>		
<b>Operating activities</b>		
Taxi service fee income	44,002	48,494
Taxi related services	49,685	48,900
Dividends received - other corporations	76	61
Rental revenue	95	94
Other revenue	6,574	5,003
<b>Total operating revenue</b>	<b>100,432</b>	<b>102,552</b>
<b>Non-operating activities</b>		
Gain on disposal of property, plant and equipment	49	11
<b>Total other income</b>	<b>49</b>	<b>11</b>

## Notes to the Consolidated Half Yearly Financial Statements

### FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

#### CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES

##### Total turnover

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

The Cabcharge account service fee income is a fee on taxi hire charges. Cabcharge is responsible for collecting the full amount of taxi hire charges paid through the Cabcharge Payment System on behalf of taxi operators. Revenue derived from these transactions is disclosed as net service fee rather than the full amount of service fee income plus taxi fares.

Cabcharge assumes the credit risk for the full value of each transaction (i.e. the amount stated below)

	Dec 2014	Dec 2013
	\$A'000	\$A'000
<b>Total Turnover</b>	<b>673,386</b>	<b>623,922</b>

### 3. Associate Companies

#### (i) Composition

	Ownership Interest		Carrying amount of investment	
	Dec 2014	Jun 2014	Dec 2014	Jun 2014
	%	%	\$'000	\$'000
<b><u>Bus &amp; coach services</u></b>				
ComfortDelGro Cabcharge Pty Ltd, Australia	49	49	229,715	222,073
<b><u>Taxi related services, bus &amp; coach services</u></b>				
CityFleet Networks Ltd, United Kingdom	49	49	54,764	52,734
			<b>284,479</b>	<b>274,807</b>

Reporting Period for these associate companies is 31 December.

#### (ii) Movements during the period in Equity Accounted Investment in Associated Companies

	Dec 2014	Jun 2014
	\$'000	\$'000
<b>Balance at beginning of the period</b>	<b>274,807</b>	<b>261,564</b>
Share of associated companies profit after income tax		
- ComfortDelGro Cabcharge Pty Ltd	7,642	18,940
- CityFleet Networks Ltd	785	1,714
Foreign exchange translation differences		
- CityFleet Networks Ltd	1,245	3,186
Impairment		
- CityFleet Networks Ltd	-	(9,700)
Dividend received		
- CityFleet Networks Ltd	-	(897)
<b>Balance at end of the period</b>	<b>284,479</b>	<b>274,807</b>

**Notes to the Consolidated Half Yearly Financial Statements****FOR THE HALF-YEAR ENDED 31 DECEMBER 2014****CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES****(iii) Impairment of Investments in Associates**

Business conditions in the United Kingdom continue to be challenging for taxis. The Group has assessed the recoverable amount of the investment in CityFleet Networks Ltd as at 31 December 2014. The recoverable amount of this investment based on its value-in-use using a discounted projected cash flow model results in no impairment loss. In assessing the recoverable amount of this investment, the Group has applied an average earnings growth rate of 2.25% (June 2014: 2.25%) on the base year profit before tax forecast for 2015 of GBP2.4m (June 2014: GBP2.5m), a long-term growth rate of 2.3% into perpetuity (June 2014: 2.3%), and a pre-tax discount rate of 6.5% (June 2014: 7.3%). Management has made the key assumptions on earnings growth on the basis of the combination of historic trends in this business, industry forecasts and in-house estimates. The discount rate has been revised to reflect current UK market assumptions for the risk free rate, the cost of debt and the beta. The value-in-use of this investment is most sensitive to the discount rate and the base year profit before tax forecast at balance date.

ComfortDelGro Cabcharge Pty Ltd (CDC), with its operations in the Australian bus and coach business, continues to perform in line with expectations.

**4. Goodwill, Taxi licence plates and Intellectual Property**

	Dec 2014	Jun 2014
Composition	\$'000	\$'000
Goodwill	15,032	15,032
	<b>15,032</b>	<b>15,032</b>
Taxi licence plates		
- Indefinite life		
- Taxi licence plates - perpetual	65,045	65,045
- Finite life		
- Taxi licence plates - 50 year renewable	5,600	5,600
- Accumulated amortisation	(1,607)	(1,536)
- Taxi licence plates - 10 year renewable - at cost	3,319	3,319
- Accumulated amortisation	(1,229)	(1,045)
	<b>71,128</b>	<b>71,383</b>
Intellectual Property		
- Indefinite life		
- Intellectual Property trademark at cost	1,850	1,850
- Finite life		
- Customer contracts at cost	1,160	1,160
- Accumulated Amortisation	(440)	(352)
- Capitalised development costs at cost	23,265	21,451
- Accumulated Amortisation	(15,913)	(14,492)
	<b>9,922</b>	<b>9,617</b>
	<b>96,082</b>	<b>96,032</b>

## Notes to the Consolidated Half Yearly Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES

	Dec 2014	Dec 2013
	\$'000	\$'000
<b>5. Dividends Paid</b>		
The following fully franked dividends were paid, franked at the tax rate of 30%.		
2014 year final - 10.0 cents	12,043	-
2013 year final - 12.0 cents	-	14,452
	<u>12,043</u>	<u>14,452</u>

### 6. Events Subsequent to Balance Date

No matters or circumstances have arisen since 31 December 2014 that has significantly affected or may significantly affect the Group's operations in future financial periods, or the results of those operations in future financial periods, or the Group's state of affairs in future financial periods.

#### Dividend

The Directors have declared an interim dividend of 10 cents per share (fully franked) scheduled to be paid on 29 April 2015. The record date to determine entitlement to dividend is 31 March 2015.

### 7. Contingent Liability

Company policy is to provide financial guarantees only to wholly-owned subsidiaries and associates. An associate of the Company (ComfortDelGro Cabcharge Pty Ltd) has a secured loan facility of \$9.5million provided by an unrelated financial institution. The Company has guaranteed the loan to the extent of its 49% ownership interest in the associate. The fair value of financial guarantee contract is estimated to be zero based on the Directors' assessment of the probability of a default event.

**Notes to the Consolidated Half Yearly Financial Statements**

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES

**8. Segment information**

The Group operates predominantly in one business and geographic segment being the provision of taxi related services in Australia and through an equity accounted associate in the UK. However, an associate company which is equity accounted by Cabcharge operates in a different business segment - being the provision of bus and coach services to customers predominantly in Australia.

**Primary Reporting -  
Business Segments**

	Taxi related services		Bus & coach services		Consolidated	
	Dec 2014	Dec 2013	Dec 2014	Dec 2013	Dec 2014	Dec 2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>						
External revenue	100,432	102,552	-	-	100,432	102,552
<b>Result</b>						
Reported result	35,521	38,122	-	-	35,521	38,122
Share of net profit of associates	785	754	7,642	10,908	8,427	11,662
Segment result	36,306	38,876	7,642	10,908	43,948	49,784
Net finance costs					(3,007)	(3,422)
Income tax expense					(9,745)	(10,344)
Profit for the period					31,196	36,018

**Other disclosures**

Segment assets, excluding investments accounted for using the equity method	277,407	276,434	-	-	277,407	276,434
Segment liabilities	174,994	188,847	-	-	174,994	188,847
Other-investments accounted for using the equity method	54,764	62,968	229,715	214,041	284,479	277,009
Depreciation and amortisation	6,693	6,326	-	-	6,693	6,326



## Directors' Declaration

### Cabcharge Australia Limited and its controlled entities

In accordance with a resolution of the directors of Cabcharge Australia Limited ("the Company"), we state that in the opinion of the directors:

- (a) the consolidated half yearly financial statements and notes set out on pages 5 to 13 are in accordance with the *Corporation Act 2001*, including:
  - (i) giving a true and fair view of the financial position of the Group as at 31 December 2014 and of its performance for the half year ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors



**Russell Balding, AO**  
Director



**Andrew Skelton**  
Director

Dated at Sydney this 27th day of February 2015.



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

We have reviewed the accompanying half-year financial report of Cabcharge Australia Limited, which comprises the consolidated statement of financial position as at 31 December 2014, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes 1 to 8 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 half-year's end or from time to time during the half-year.

### *Directors' responsibility for the half-year financial report*

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Cabcharge Australia Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Independence*

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

**Independent auditor's review report to the members of Cabcharge Australia Limited (continued)**

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cabcharge Australia Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

K P m G

KPMG



Julie Cleary  
*Partner*

Sydney  
27 February 2015