



The Manager, Listings
Australian Securities Exchange
ASX Market Announcements
Level 14, Exchange Centre
20 Bridge Street
Sydney NSW 2000

11 September 2015

Dear Sir

SG Fleet Group Limited – Listing Rules 3.17, 4.5 and 4.7

SG Fleet Group Limited advises that the 2015 Annual Report, Notice of Annual General Meeting and Proxy Form, will be lodged with Australia Post for dispatch to shareholders today, 11 September 2015.

The Annual General Meeting will be held on Wednesday 14 October 2015 at the Bridge Room, Level 1, the Intercontinental Hotel, 117 Macquarie Street, Sydney, NSW commencing at 3.00 pm AEDT.

Copies of the documents to be mailed are attached.

Yours sincerely

A handwritten signature in black ink, appearing to read "S.A. Edwards".

Sarah Edwards
Company Secretary

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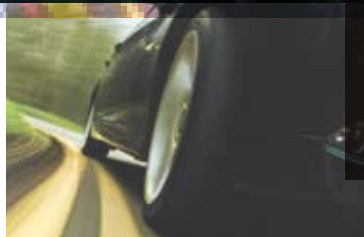
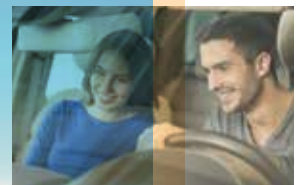
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SG Fleet Group Limited

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Contents

About SG Fleet	1
Chairman's Report	6
Chief Executive Officer's Report	7
Directors' Report	12
Auditor's Independence Declaration	27
Financial Report	28
Shareholder Information	71
Corporate Directory	73



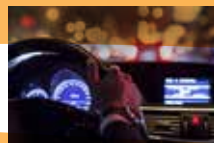
About SG Fleet

SG Fleet Group Limited is one of Australia's leading specialist providers of fleet management, vehicle leasing and salary packaging services. SG Fleet has a presence across Australia, as well as in the United Kingdom and New Zealand. The company employs over 400 staff and has more than 90,000 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, as well as a range of other employee benefits.

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 have been built on a customer-centric approach to service delivery and the development of bespoke but 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 continually upgrades its solutions and introduces additional products and services to its range.



A Product and Service Leader

SG Fleet's industry leadership and strong business performance is built on the company's major competitive assets: exceptional relationships with customers through outstanding service quality, the ability to develop our offering through innovation, and the skills and experience of our people.

Making a real difference for our customers

Constant improvement has been a key component of our success. Customers rely on our ability to add value on an ongoing basis, making a real difference to their organisations now and continuously exploring opportunities for further progress in the future. It is no coincidence that the average length of our largest customer relationships is in excess of a decade and that we are regularly recognised by customers for the quality of our service.



SG Fleet's whole-of-life analysis of the vehicle category options for a customer's 500-vehicle fleet identified potential savings of over NZ\$1 million over the term of the lease period.

Financial institution
New Zealand

NZ\$1m
FLEET COST SAVINGS

"Thank you for making the experience of obtaining a car through SG Fleet such a smooth experience from start to finish. I really appreciate your willingness to answer all the questions I had at the very start of the process and felt like you had my best interests at heart. Everyone has been amazed by the speed and ease with which everything has happened and I wouldn't hesitate to recommend SG Fleet to anybody. I couldn't be happier with the service and haven't a bad word to say about my experience, so thanks again!"

Novalease driver
United Kingdom

OVER
A\$10m
OF LEASE RENTAL SAVINGS

"The business and SG Fleet reviewed fleet leasing arrangements and looked for potential savings by way of re-hiring and/or re-extending lease terms. This resulted in extending the leases of 455 passenger and commercial vehicles, which has to-date realised a lease rental saving of \$1.1 million and an expected rental saving of \$3.3 million by the end of the 2018 financial year. Fleet management has now extended this to a further 593 commercial and passenger vehicles. This exercise will deliver a further net savings of \$6.8 million across the whole of the life of assets."

Manager Procurement & Property Branch
Public sector organisation (Australia)



* Testimonials abbreviated.



Day-to-day FLEET MANAGEMENT SUPPORT

“Wright Health Group has partnered with SG Fleet for the last two years and is in the process of completing the transfer of the company’s entire fleet of vehicles. On making the decision to appoint a provider, our goals were to identify a partner that could provide us with a simple, competitive and cost effective solution for our long and short-term needs, whilst also providing additional support for the day-to-day management of the fleet. SG Fleet ticked all the boxes on this, and our drivers regularly comment on the professionalism extended to them by the SG Fleet team.”

Steve
Financial Controller,
Wright Health Group (UK)

“Thanks for your assistance. The SG Fleet team have been nothing short of brilliant. The process from beginning to end has been so flawless and simply outstanding. I have already recommended to a couple of other staff that they should investigate for themselves. Thanks to all who have contributed and for your great service.”

Novated driver
Australia

INCREASED WH&S COMPLIANCE

“The fleet team, in conjunction with SG Fleet, have reduced our fleet by 14% and achieved \$4.7 million in fleet savings in the 3 years to February 2015. Along with these savings, SG Fleet has introduced an on-line logbook through their innovation process, which has increased efficiencies as drivers no longer require a continuous paper-based log book. Reporting dashboards utilise SG Fleet’s driver behaviour information to maximise WH&S compliance.”

Fleet Manager
Financial industry (Australia)



“NO RISK” SOLUTIONS

“The University launched its salary sacrifice scheme as part of a wider sustainable travel plan. We recognised that some of our 6,000 employees had no alternative to the car and felt a car salary sacrifice scheme could help minimise their environmental impact. The University was looking to use a provider with a “no risk” solution and felt a Novalease type structure was the best fit. After researching the market, we found only one provider that could offer this solution – SG Fleet.”

Monica
Transport Manager,
University of Birmingham (UK)

A Track Record of Innovation

Our leadership in technological innovation is creating measurable value for customers and helps us further differentiate our offering.

State-of-the-art systems and applications are no longer an optional luxury. They are fast becoming a prerequisite as customer needs become increasingly sophisticated. The expertise we have in-house plays a key role in determining what solutions to develop and our product innovation track record demonstrates our ability to respond to real demand quickly and efficiently.

Apple Watch App

SG Fleet already offers a mobile app that makes it easy for fleet managers and drivers to accurately record, track and manage information about their vehicles. The easy-to-use interface provides salary package data, a Fringe Benefits Tax planner, a vehicle usage logbook, as well as service provider and car locators. SG Fleet is now also launching this app on the latest Apple Watch.



Fringe Benefits Tax Collector

In New Zealand, SG Fleet has taken the traditionally manual, e-mail based FBT data collection process to a new level of functionality. Drivers will soon be able to submit vehicle usage data from their smartphone via a secure web-based platform, ensuring greater accuracy of data reporting and reducing time spent on FBT administration.

Novalease Calculator

SG Fleet's soon-to-be-launched Novalease Calculator is a highly functional toolkit to help novated drivers in the UK choose the right car. The Calculator makes the vehicle selection process easier by accessing quotes specific to individual circumstances and comparing results.



Next Leap Forward: The Mobility Concept

At SG Fleet, the culture of forward thinking and innovation is well entrenched. We are always monitoring social and technological developments and the role these play in demand changes.

The way people use transport and vehicles continues to evolve and, increasingly, we expect an immediate, simple solution to moving from A to B. This creates opportunities for us to build on our existing offering. Efficient fleet management, as we currently provide it, is precisely about managing and allocating assets to optimise transport. Our technology is now opening up the possibility to organise the transport asset into a true mobility solution.



Greater efficiency, active telematics, total connectivity and information access allow us to integrate the vehicle into a much broader, shared transport solution.



Finding the right vehicle for the right transport requirement will take into account fundamental changes in the cityscape.



At SG Fleet, we believe we can play a leading role in developing a more efficient and therefore a more socially responsible solution for mobility needs.

Chairman's Report



Dear Shareholder

I have the pleasure of presenting to you the SG Fleet Group Limited Annual Report for the year ended 30 June 2015.

The Report is the first to span a full 12-month period as last year's Annual Report only covered the four-month period from the date on which your Company started trading on the Australian Securities Exchange until the end of the 2014 financial year. A constant throughout both periods has been our success in exceeding our net profit forecasts in a muted operating environment, with net profit after tax for the 2015 financial year up more than 14% on the previous year. The pleasing consequence of this has been another increase in dividends paid to you, our shareholders, with the Board confirming a fully franked final dividend of 6.117 cents per share, bringing the total for the 2015 financial year to 10.842 cents per share.

Our ability to offer a superior solution to customers has been instrumental in achieving what has been a record year for your Company. We intend to maintain this competitive advantage by further enhancing our understanding of current customer needs as well as planning for our future position in this industry, which continues to be supported by structural growth trends.

"Our ability to offer a superior solution to customers has been instrumental in achieving what has been a record year for your Company."

In line with this, we began the roll-out of a Net Promoter Score customer feedback mechanism during the financial year. Through this tool, customers provide us with overall service ratings as well as insights into the value-add of our products and the efficiency of our processes. The response has been very encouraging, but we are not resting on our laurels. It is important for any company to be confident in its offering, yet humble enough to acknowledge opportunities for further enhancements. At SG Fleet, we do indeed go that extra mile to continuously improve.

A significant part of this ever-present evolution is your Company's drive to maintain its leadership in innovation. A common theme of the feedback we receive from customers is that our in-house developed technology is providing them with unparalleled real time support and a wealth of information. Both fleet managers and vehicle drivers can access this information via web-based

applications on a variety of platforms, including smartphones and so-called wearables, such as the Apple Watch.

"A common theme of the feedback we receive from customers is that our in-house developed technology is providing them with unparalleled real time support and a wealth of information."

This technological edge has already created a unique competitive position for your Company and it is our firm intention to enhance this advantage and ensure our long-term status as an industry leader. The way people use transport and vehicles continues to evolve and this creates opportunities for us to build on our current offering in a profitable manner and be ready to respond to new demand trends as they emerge.

In the context of this rapid development, it is important to remember that while technology is becoming a commodity, the capability to develop it is not. One of the great strengths of SG Fleet – and ultimately a strong barrier to entry for competitors – is the quality of our people and our ability to drive progress internally. Accordingly, talent management, workforce stability and succession planning are indeed high priorities for your Company.

During the past year, SG Fleet has settled into life as a listed company without disruption. In fact, our listed status has been beneficial in terms of our financing and has helped us attract the best talent. With this first full year behind us, we now aim to build on our momentum and maintain our track record of delivering on our objectives for customers and for shareholders.

I would like to thank the Directors of the Company's Board for their invaluable contribution during the year, as well as Super Group, our majority shareholder, for its continued support. I also take the opportunity to thank you, our shareholders, for continuing to share our exciting journey.

Andrew Reitzer
Chairman

Chief Executive Officer's Report



Dear Shareholder

I am pleased to report on SG Fleet Group Limited's financial performance for the year ended 30 June 2015.

My review of this financial year will refer for comparison to the pro forma financial figures of the preceding year. Detailed financial data can be found in the full annual report.

A record year

Our first full year as a listed company has been one of marked progress on all fronts. It is particularly pleasing to see that our momentum coming out of the 2014 financial year has been maintained, allowing us to beat our prospectus profit forecasts by some margin.

Total revenue for the reported period was \$171.4 million, an increase of 9.5% over the previous financial year. This stronger business activity was reflected in an increase in expenses of 6.5%, to \$112.6 million. Profit before tax stood at \$58.8 million, 15.7% higher than in the 2014 financial year.

Our net profit after tax reached \$40.5 million, an increase of 14.4% over the prior corresponding period. The net profit result exceeded the \$39.2 million prospectus forecast by 3.3%, delivering on our undertaking at the half year to meet or exceed that forecast.

This result translates into earnings per share of 16.7 cents, an increase of 14.4% over the prior corresponding period. Return on equity came in at a healthy 29.1%.

Revenue growth reflected the increase in total fleet size as a result of further customer wins and deeper penetration within existing customers. Vehicle deliveries were slightly softer than forecast, primarily due to the subdued economic environment throughout the financial year. However, we compensated for this with stronger margins, at 34.3% at the before tax level. Overall, profitability has been supported by scale benefits, with the 'Fleet per Employee' ratio improving from 200 to 213.

Management and maintenance income grew 7.0% over the prior year, to \$64.0 million, in line with the increased fleet size noted above.

Growth in vehicle deliveries, together with greater take-up of accessories in our corporate tool-of-trade fleets, supported the significant growth in additional products and services revenue of 17.0%, to \$48.8 million.

Funding commissions revenue grew by 24.2% to \$29.3 million as a result of growth in novated deliveries over the prior corresponding period, as well as stronger finance margins.

As anticipated, end of lease income declined, by 11.0% to \$11.3 million, as residual values continued to normalise in line with expectations. In our view, the environment is now relatively stable.

Lower rental income (at \$10.8 million, 11.5% below the previous corresponding period) reflects the lower number of vehicles in inertia as customers replaced them with new orders.

The 10.8% growth in other income to \$7.2 million was driven by higher interest income on cash balances, higher early termination income, and higher ad hoc income.

Mixed operational environment

The Company exceeded its prospectus forecasts, which were set 20 months earlier, despite a decline in business sentiment over most of that period. Some improvement was seen in the final months of the 2015 financial year, following a well-received Budget and an interest rate cut, but the impact of recent events in Greece and concerns about the Chinese equity market bubble may yet test this fragile recovery.

On a positive note, the regulatory environment has become clearer during the period. No meaningful impact was seen from the abandonment of certain vehicle import tariffs at the start of the calendar year.

A pattern of occasional aggressive tactics related to corporate activity, interspersed amongst predominantly rational competitive behaviour, was prevalent throughout the reported period.

"The Company exceeded its prospectus forecasts, which were set 20 months earlier, despite a decline in business sentiment over most of that period."

Chief Executive Officer's Report

Growth continues

In this environment, the Company has maintained its strategic discipline and continued to pursue growth through clearly defined channels. Our sales and marketing model has been optimised to ensure we target new opportunities with greater focus and impact. This effort is supported by ongoing product and efficiency enhancements in all parts of the business.

During the reported period, the opportunities pipeline remained full and we maintained our strong conversion rate in all areas. We were again successful in demonstrating the merits of appointing a professional external manager to companies that had not previously outsourced their fleet management, utilising our longstanding experience and cost reduction track record as powerful evidence.

Overall, the structural trend towards outsourcing is gathering pace as some of the larger States have started to actively solicit input from the industry regarding outsourcing options. At the same time, States that already outsource are looking to increase the range of services we provide. In one such case, an existing Government client opted for a higher value-add funding arrangement. We are also actively moving existing outsourcers from unfunded to funded arrangements.

Continued above-market share win rates are evidence of our strongly differentiated offering, which increasingly is allowing us to take customers from competitors. No major account losses occurred, confirming our unique industry position and the strength of our customer relationships.

Our ability to identify, develop or source attractive solutions to emerging customer needs is also supporting our effort to offer additional products to these customers. Examples of our success in this regard abound across the business. In the energy sector, a number of customers opted to extend their contracts and include a wider range of products.

"We were again successful in demonstrating the merits of appointing a professional external manager to companies that had not previously outsourced their fleet management, utilising our longstanding experience and cost reduction track record as powerful evidence."

Good progress was also made in our salary packaging business, both in the corporate and government segments. New wins in the business include a Federal Government department and the Australian arm of a major international professional services firm. These wins open further growth avenues, with the latter resulting in the signing up of the New Zealand arm of the same firm. Novated relationships also often allow us to introduce our tool-of-trade solutions.

United Kingdom and New Zealand

On the topic of our international operations, further marked progress was made in both the United Kingdom and New Zealand.

In the UK, business confidence is on the up after a decisive election outcome and the operating environment for our local business is improving. Interest in our innovative salary packaging product has been strong, particularly in the not-for-profit segment. We are now working hard to improve driver take-up, and the growth in the order pipeline is very encouraging. The tool-of-trade business also saw a number of sole supply contract wins in the corporate space. The current financial year will be significant for the future of this business.

"Interest in our innovative salary packaging product has been strong, particularly in the not-for-profit segment."

In New Zealand, a similar uptick in market activity has occurred during the period. The increased recognition for our market-leading products has allowed us to win some high quality contracts, beating off competition from some of the more established players. These wins include the management of the build and delivery of specialist transport units, a sale and lease back in the IT sector, and a number of fully maintained operating lease contracts in the industrial sector.

Strategic discipline

A common element across all our locations and businesses is the constant drive to further improve our offering to customers. This takes the form of technological innovation of products and services, as well as improved efficiency for the processes that support our interaction with customers.

In keeping with our objective to offer cutting edge solutions, innovation is continuous at SG Fleet. During the year, we further enhanced our telematics offering and introduced our proprietary app to wearables such as the Apple Watch. We also prepared for the launch of a web-based FBT data collector in New Zealand and a new version of the Novalease calculator in the UK. These are just a few examples of the proprietary and market leading technology we make available to fleet managers and drivers.

The strict guideline behind our innovation, as well as our investigation of opportunities in adjacent activity areas, is that we must remain focused on direct business outcomes. We are constantly mindful of the need to develop solutions that will meet a real demand, resulting in real and profitable revenue streams.

The same concept of remaining 'on-strategy' at all times is the basis on which we investigate inorganic growth opportunities. We adhere to a strict valuation discipline and will not consider acquisitions that do not fully fit into our strategic roadmap or that risk taking us into business areas where our core expertise cannot be deployed profitably.

"We are constantly mindful of the need to develop solutions that will meet a real demand, resulting in real and profitable revenue streams."

Outlook

Over this reporting period, the Company has again been able to exceed the demanding targets set in terms of its financial performance. It is our firm intention to preserve that track record, as well as our growth momentum.

In the current financial year, we aim to maintain underlying profit growth levels through a combination of revenue gains and margin expansion. We are confident that the combination of our exceptional customer retention levels, increased penetration and high win rate will allow us to grow revenue streams. In turn, margin improvements will be supported by increased scale benefits, greater internal efficiencies and further cost compression. The ongoing consolidation of our systems infrastructure will be an important driver in that regard in the long term.

The disciplined execution of our growth strategy and our constant focus on cost management will allow us to achieve these objectives. Further enhancements to our competitive differentiation, in combination with the well-documented structural trend towards outsourcing, will also ensure we are well-placed to be a beneficiary of any step-change developments in terms of demand, both in the government and corporate sectors.

I would like to take this opportunity to thank my executive as well as the broader SG Fleet team for their efforts in this first full year of our listed life. It has been an excellent start in a challenging environment and our goal is to reward the trust and support of our shareholders on an ongoing basis by continuing to deliver attractive and sustainable returns.



Robbie Blau
Chief Executive Officer

Chief Executive Officer's Report

Pro forma adjustments to the statutory income statement

The table below sets out the adjustment to the Statutory Results for 2015 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') (on 6 March 2014) 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:

	Consolidated	
	30 Jun 2015 \$m	30 Jun 2014 \$m
Statutory revenue	171.4	165.7
Interest income	-	(1.1)
Exit fees	-	(8.1)
Pro forma revenue	171.4	156.5
Statutory NPAT	40.5	34.9*
RPS interest	-	2.5
Management fees	-	0.6
Listed public company costs	-	(1.1)
Interest income	-	(1.1)
Exit fees	-	(8.1)
Bonus shares and bonus payment	-	4.7
Transaction costs	-	0.5
Income tax effect	-	2.5
Pro forma NPAT	40.5	35.4

* The prior year 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 2015 compared to financial year ended 30 June 2014

The pro forma consolidated income statement for the financial year ended 30 June 2015 and 30 June 2014 has been prepared on the same basis as the pro forma consolidated financial income statement for the year ended 30 June 2015 and 30 June 2014 published in the SG Fleet Group IPO prospectus issued in February 2014.

The table below sets out the pro forma consolidated income statement for the financial years ended 30 June 2015 and 30 June 2014.

	Consolidated			Prospectus forecast
	30 Jun 2015 \$m	30 Jun 2014 \$m	Change %	30 Jun 2015 \$m
<i>Revenue</i>				
- Management and maintenance income	64.0	59.8	7.0	62.6
- Additional products and services	48.8	41.7	17.0	46.7
- Funding commissions	29.3	23.6	24.2	29.8
- End of lease income	11.3	12.7	(11.0)	9.7
- Rental income	10.8	12.2	(11.5)	11.9
- Other income	7.2	6.5	10.8	7.8
Total revenue	171.4	156.5	9.5	168.5
Fleet management costs	(44.5)	(38.6)	15.3	(44.1)
Employee benefits expense	(43.6)	(42.7)	2.1	(44.0)
Occupancy costs	(4.1)	(4.1)	-	(4.2)
Technology costs	(3.2)	(2.9)	10.3	(3.2)
Other expenses	(6.6)	(6.4)	3.1	(6.2)
Depreciation and amortisation	(7.1)	(6.8)	4.4	(6.6)
Finance costs	(3.5)	(4.2)	(16.7)	(4.0)
Profit before tax	58.8	50.8	15.7	56.2
Income tax expense	(18.3)	(15.4)	18.8	(17.0)
NPAT	40.5	35.4	14.4	39.2

Directors' Report

30 June 2015

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 year ended 30 June 2015.

Directors

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Andrew Reitzer (Chairman)

Robert (Robbie) Blau

Cheryl Bart AO

Graham Maloney

Peter Mountford

Kevin Wundram (alternate for Robbie Blau)

Colin Brown (alternate for Peter Mountford)

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

Principal activities

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

Dividends

Dividends paid during the financial year were as follows:

	Consolidated	
	Year ended 30 Jun 2015 \$'000	Period ended 30 Jun 2014 \$'000
Final dividend for the period ended 30 June 2014 of 4 cents per share paid on 29 October 2014	9,708	–
Interim dividend for the year ended 30 June 2015 of 4.725 cents per share paid on 22 April 2015	11,467	–
	21,175	–

On 17 August 2015, the Directors declared a fully franked final dividend for the year ended 30 June 2015 of 6.117 cents per ordinary shares, to be paid on 22 October 2015 to eligible shareholders on the register as at 1 October 2015. This equates to a total estimated distribution of \$14,846,000 based on the number of ordinary shares on issue as at 30 June 2015. The financial effect of dividends declared after the reporting date are not reflected in the 30 June 2015 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 \$40,482,000 (30 June 2014: \$15,620,000).

The current period results are for the financial year ended 30 June 2015. The comparative results are for the period from 6 March 2014, when the Company acquired SG Fleet Holdings Pty Limited and its subsidiaries, to 30 June 2014.

The fleet size of the Group as at 30 June 2015 was 90,045 (30 June 2014: 83,837).

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

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

Matters subsequent to the end of the financial year

Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 30 June 2015 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

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:

Non-executive Chairman of Amaysim Australia Limited (ASX: AYS)

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

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

Interests in options:

3,047,619 options over ordinary ordinary shares in the Company

Directors' Report

30 June 2015

Cheryl Bart AO

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, broadcasting, football and film. 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, 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):

South Australian Power Networks

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

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:

Chair, Connective Group Australia

Former directorships (last 3 years):

SFG Australia (ASX: SFW)

Special responsibilities:

Chairman of the Audit, Risk and Compliance Committee

Interests in shares:

27,027 ordinary shares in the Company

Peter Mountford

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 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

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 over 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

Interests in options:

1,250,000 options over ordinary ordinary shares in the Company

Colin Brown

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

Sarah Anne Edwards (LLB (Hons), Grad Dip Legal Practice) has been Legal Counsel of the Group since April 2012 and was appointed as Company Secretary on 1 July 2015. In addition to her duties as Company Secretary, Sarah is responsible for providing corporate and commercial legal advice and support as well as managing various regulatory and compliance matters for the Group. Sarah first practised as a lawyer at Blake Dawson Waldron (as it was known then) before joining the company secretariat team at NRMA Motoring & Services. Prior to joining the Group, Sarah's in-house legal experience has been primarily in the construction industry, having worked for AE&E Australia Pty Ltd and Tenix Group.

The previous company secretary was Julianne Lyall-Anderson (appointed on 24 June 2014 and resigned on 23 March 2015). Kevin Wundram fulfilled the role as interim company secretary (appointed on 23 March 2015 and resigned on 1 July 2015).

Directors' Report

30 June 2015

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2015, 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	9	9	–	–	4	4
Robbie Blau	9	9	–	–	–	–
Cheryl Bart AO	8	9	4	4	4	4
Graham Maloney	8	9	4	4	–	–
Peter Mountford	9	9	4	4	4	4

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 year.

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.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all directors.

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 ('NRC') 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 NRC comprises two independent Non-Executive Directors and one Non-Executive Director and meets regularly throughout the financial year. 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.

The remuneration framework has been structured to be 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 NRC. The NRC 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 2016, amounting to \$505,000 is summarised as follows:

Name – Position	FY 2016 Fees
Andrew Reitzer – Independent Non-Executive Chairman	\$180,000
Cheryl Bart AO – Independent Non-Executive Director	\$107,500
Graham Maloney – Independent Non-Executive Director	\$110,000
Peter Mountford – Non-Executive Director	\$107,500

ASX listing rules require the aggregate Non-Executive Directors remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 12 February 2014, where the shareholders approved the aggregate remuneration be fixed at a maximum of \$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, annual leave, superannuation and non-monetary benefits, is reviewed annually by the NRC, 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.

Directors' Report

30 June 2015

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 STI. 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 NRC.

Long-term incentives ('LTI') are set periodically 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 is based on a fixed percentage of the relevant Participant's TFR and is issued to the Participant at no cost. Options granted

to KMP usually vest over three years (the 'Performance Period'), subject to the satisfaction of performance conditions. For the 2014 LTI offer, the Performance period was from the Group's listing and concludes on 30 June 2017, a period of 39 months.

The performance conditions for the LTI options are currently based on the compound annual growth rate ('CAGR') of the Group's earnings per share ('EPS'). EPS was selected as the performance condition for the LTI since it is a measure of economic profit and is a key driver of the share price which is a key component in delivering sustained growth in shareholder wealth. 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, is 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 is 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 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 KMP for the year ended 30 June 2015 and future years is 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 is made if the Group's EPS growth is less than 5.0% over the previous financial year. The proportion of the maximum STI awarded to the KMP is at the discretion of the Board.

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 year ended 30 June 2015 was 16.68 cents per share.

Voting and comments made at the Company's 2014 Annual General Meeting ('AGM')

At the 2014 AGM, 99.9% of the votes received supported the adoption of the remuneration report for the period ended 30 June 2014. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

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 (maternity leave from 31 October 2014 to end of financial year)

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Bonus	Non-monetary	Super-annuation	Employee benefits	Equity-settled	
Year ended 30 Jun 2015	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Andrew Reitzer (Chairman)	150,685	–	–	14,315	–	–	165,000
Cheryl Bart AO	84,475	–	–	8,025	–	–	92,500
Graham Maloney	95,000	–	–	–	–	–	95,000
Peter Mountford	92,500	–	–	–	–	–	92,500
<i>Executive Directors:</i>							
Robbie Blau (CEO)	621,217	345,563	–	18,783	10,101	114,014	1,109,678
Kevin Wundram (CFO and Alternate Director)	331,217	151,184	–	18,783	5,299	46,764	553,247
<i>Other Key Management Personnel:</i>							
Andy Mulcaster	359,600	123,113	–	16,348	5,703	34,115	538,879
David Fernandes*	281,224	97,117	17,908	13,182	17,037	25,330	451,798
Geoff Tipene*	186,862	67,006	23,807	7,669	–	14,055	299,399
Annie Margossian-Kenny	85,888	30,916	–	11,097	1,426	20,176	149,503
	2,288,668	814,899	41,715	108,202	39,566	254,454	3,547,504

* Total remuneration in local currency paid to David Fernandes and Geoff Tipene was GBP 239,263 and NZD 321,682 respectively.

Colin Brown (Alternate Director) received no remuneration during the year ended 30 June 2015.

Directors' Report

30 June 2015

Year ended 30 Jun 2014	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Bonus	Non-monetary	Superannuation	Employee benefits	Equity-settled	
	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
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
<i>Executive Directors:</i>							
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
<i>Other Key Management Personnel:</i>							
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.

In 2014 the Non-Executive Directors were also paid the following amounts for services rendered prior to the IPO:

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

Non-Executive Directors' salaries are 100% fixed. The fixed proportion and the proportion of remuneration linked to performance of Executive Directors and KMP are as follows:

Name	Fixed remuneration		At risk – STI		At risk – LTI	
	Year ended 30 Jun 2015	Period ended 30 Jun 2014	Year ended 30 Jun 2015	Period ended 30 Jun 2014	Year ended 30 Jun 2015	Period ended 30 Jun 2014
<i>Executive Directors:</i>						
Robbie Blau	59%	33%	31%	59%	10%	8%
Kevin Wundram	65%	36%	27%	57%	8%	7%
<i>Other Key Management Personnel:</i>						
Andy Mulcaster	71%	41%	23%	53%	6%	6%
David Fernandes	73%	45%	21%	50%	6%	5%
Geoff Tipene	73%	55%	22%	43%	5%	2%
Annie Margossian-Kenny	66%	42%	21%	53%	13%	5%

The increase in the percentage of fixed remuneration for the year ended 30 June 2015 compared to period ended 30 June 2014, is due to the fact that the calculations for the period ended 30 June 2014 represents a full year's short term incentive divided by 4 months' worth of fixed remuneration.

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 with effect from ('wef') 1 July 2015: \$680,000 per annum, which includes base salary, statutory superannuation contributions and any salary sacrifice arrangements
- STI: award of between 22.5% and 75% of TFR, on a straight-line basis based on EPS growth of between 5% and 15% over the previous financial year. The STI is subject to a 12 month payment deferral of 25% for FY 2015 and thereafter 50%
- The STI earned for 2015 amounted to \$460,750. The payment of 25% of the 2015 STI, amounting to \$115,187 has been deferred until 30 June 2016
- 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 wef 1 July 2015: \$360,000 per annum, which includes base salary, statutory superannuation contributions and any salary sacrifice arrangements
- STI: award of between 18% and 60% of TFR, on a straight-line basis based on EPS growth of between 5% and 15% over the previous financial year. The STI is subject to a 12 month payment deferral of 25% for FY 2015 and thereafter 50%
- The STI earned for 2015 amounted to \$201,578. The payment of 25% of the 2015 STI, amounting to \$50,394 has been deferred until 30 June 2016
- 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

Directors' Report

30 June 2015

Andy Mulcaster – Managing Director, Australia

- Agreement term: Ongoing from 1 August 2006
- TFR wef 1 July 2015: \$383,870 per annum, which includes base salary, statutory superannuation contributions and any salary sacrifice arrangements
- STI: award of between 15% and 50% of TFR, on a straight-line basis based on EPS growth of between 5% and 15% over the previous financial year. The STI is subject to a 12 month payment deferral of 25% for FY 2015 and thereafter 50%
- The STI earned for 2015 amounted to \$164,150. The payment of 25% of the 2015 STI, amounting to \$41,037 has been deferred until 30 June 2016
- 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 wef 1 July 2015: £159,583 per annum, which includes base salary, statutory superannuation contributions and any salary sacrifice arrangements
- STI: award of between 15% and 50% of TFR, on a straight-line basis based on EPS growth of between 5% and 15% over the previous financial year. The STI is subject to a 12 month payment deferral of 25% for FY 2015 and thereafter 50%
- The STI earned for 2015 amounted to £68,575. The payment of 25% of the 2015 STI, amounting to £17,144 has been deferred until 30 June 2016
- 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 wef 1 July 2015: NZD 211,150 per annum, which includes base salary, statutory superannuation contributions and any salary sacrifice arrangements
- STI: award of between 15% and 50% of TFR, on a straight-line basis based on EPS growth of between 5% and 15% over the previous financial year. The STI is subject to a 12 month payment deferral of 25% for FY 2015 and thereafter
- 50% . Kiwi Saver of 3% is payable on this STI.
- The STI earned for 2015 amounted to NZD 95,990. The payment of 25% of the 2015 STI, amounting to NZD 23,998 has been deferred until 30 June 2016
- 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 wef 1 July 2015: \$265,787 per annum, which includes base salary, statutory superannuation contributions and any salary sacrifice arrangements
- STI: award of between 15% and 50% of TFR, on a straight-line basis based on EPS growth of between 5% and 15% over the previous financial year. The STI is subject to a 12 month payment deferral of 25% for FY 2015 and thereafter 50%.
- The STI earned for 2015 amounted to \$41,222. The payment of 25% of the 2015 STI, amounting to \$10,306 has been deferred until 30 June 2016
- 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

Share and cash offers

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2015.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other KMP in this financial year 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.

There were no options over ordinary shares granted to or vested by Directors and other KMP as part of compensation during the year ended 30 June 2015.

Additional information

The earnings of the Group for the two years to 30 June 2015 are summarised below:

	2015 \$'000	2014 \$'000
Revenue	171,377	64,083
Profit after income tax	40,482	15,620
Dividends paid	21,175	–

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2015	2014
Share price at financial year end (\$)	2.47	1.80
Basic earnings per share (cents per share)	16.68	9.13

Share price at IPO was \$1.85 per share.

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.

Directors' Report

30 June 2015

Shareholding

The number of shares in the Company held during the financial year 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 year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Andrew Reitzer	81,081	–	–	–	81,081
Robbie Blau	6,756,425	–	–	–	6,756,425
Cheryl Bart AO	27,027	–	–	–	27,027
Graham Maloney	27,027	–	–	–	27,027
Peter Mountford	540,540	–	–	–	540,540
Kevin Wundram	1,863,840	–	–	–	1,863,840
Colin Brown	108,108	–	–	–	108,108
Andy Mulcaster	1,630,860	–	–	–	1,630,860
David Fernandes	1,630,860	–	–	–	1,630,860
Geoff Tipene	52,000	–	–	–	52,000
Annie Margossian-Kenny	1,164,900	–	–	–	1,164,900
	13,882,668	–	–	–	13,882,668

Option holding

The number of options over ordinary shares in the Company held during the financial year 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 year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
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

No options were vested or forfeited during the years ending 30 June 2015 and 30 June 2014.

Use of remuneration consultants

During the 30 June 2014 financial period, the NRC engaged Egan Associates ('Remuneration Consultant') to provide recommendations on the level of remuneration for the Group's KMP's for the June 2015 financial year. The Remuneration Consultant was paid \$58,905 for these services. In determining the level of remuneration for the Group's KMP's for the June 2016 financial period the Group conducted a remuneration benchmarking exercise internally and did not engage the services of a Remuneration Consultant.

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 year ended 30 June 2015 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.

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 year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. 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 year by the auditor are outlined in note 30 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, 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 30 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.

Directors' Report

30 June 2015

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 immediately follows this Directors' report.

Auditor

KPMG were initially appointed auditors by the Directors until the first AGM of the Company. At the 2014 AGM the shareholders approved the reappointment of KPMG as auditors, who 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

17 August 2015
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 year ended 30 June 2015 there have been:

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

A handwritten signature in black ink, appearing to read 'Peter Russell', located below the list of declarations.

KPMG

A larger, more legible handwritten signature in black ink, clearly reading 'Peter Russell', located below the printed name.

Peter Russell
Partner

Sydney
17 August 2015

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

Financial Report

30 June 2015

Contents

Statement of Profit or Loss and Other Comprehensive Income	29
Statement of Financial Position	30
Statement of Changes in Equity	31
Statement of Cash Flows	32
Notes to the Financial Statements	33
Directors' Declaration	68
Independent Auditor's Report	69
Shareholder Information	71
Corporate Directory	73

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2015

	Note	Consolidated	
		Year ended 30 Jun 2015 \$'000	Period ended 30 Jun 2014 \$'000
Revenue	5	171,377	64,083
Expenses			
Fleet management costs		(44,471)	(13,971)
Employee benefits expense		(43,603)	(18,737)
Occupancy costs		(4,056)	(1,360)
Depreciation, amortisation and impairment	6	(7,155)	(1,757)
Technology costs		(3,243)	(899)
Other expenses		(6,565)	(2,542)
Finance costs	6	(3,518)	(1,088)
Profit before income tax expense		58,766	23,729
Income tax expense	7	(18,284)	(8,109)
Profit after income tax expense for the year attributable to the owners of SG Fleet Group Limited	25	40,482	15,620
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation difference for foreign operations		729	(336)
Effective portion of changes in fair value of cash flow hedges		(7)	–
Other comprehensive income for the year, net of tax		722	(336)
Total comprehensive income for the year attributable to the owners of SG Fleet Group Limited		41,204	15,284
		Cents	Cents
Basic earnings per share	40	16.68	9.13
Diluted earnings per share	40	16.67	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 2015

	Note	Consolidated	
		2015 \$'000	2014 \$'000
Assets			
Cash and cash equivalents	8	89,143	57,906
Finance, trade and other receivables	9	40,072	41,741
Inventories	10	4,921	4,643
Leased motor vehicle assets	11	17,664	15,688
Deferred tax	12	14,483	15,032
Property, plant and equipment	13	1,003	1,199
Intangibles	14	142,692	141,365
Total assets		309,978	277,574
Liabilities			
Trade and other payables	15	46,933	43,981
Derivative financial instruments	16	7	–
Income tax	17	8,982	2,460
Employee benefits provision	18	4,943	4,588
Residual risk provision	19	12,368	15,949
Borrowings	20	43,868	43,516
Vehicle maintenance funds	21	17,948	14,947
Deferred income	22	25,547	23,117
Total liabilities		160,596	148,558
Net assets		149,382	129,016
Equity			
Issued capital	23	232,768	232,768
Reserves	24	(118,313)	(119,372)
Retained profits	25	34,927	15,620
Total equity		149,382	129,016

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

Statement of Changes in Equity

For the year ended 30 June 2015

Consolidated	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Total equity \$'000
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
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 23)	232,768	–	–	232,768
Share-based payments (note 41)	–	122	–	122
Group reorganisation (note 24)	–	(119,158)	–	(119,158)
Balance at 30 June 2014	232,768	(119,372)	15,620	129,016

Consolidated	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2014	232,768	(119,372)	15,620	129,016
Profit after income tax expense for the year	–	–	40,482	40,482
Other comprehensive income for the year, net of tax	–	722	–	722
Total comprehensive income for the year	–	722	40,482	41,204
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 41)	–	337	–	337
Dividends paid (note 26)	–	–	(21,175)	(21,175)
Balance at 30 June 2015	232,768	(118,313)	34,927	149,382

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

Statement of Cash Flows

For the year ended 30 June 2015

	Note	Consolidated	
		Year ended 30 Jun 2015 \$'000	Period ended 30 Jun 2014 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		191,231	65,860
Payments to suppliers and employees (inclusive of GST)		(116,919)	(35,174)
Interest received		1,951	495
Interest and other finance costs paid		(3,518)	(1,518)
Income taxes paid		(11,213)	(4,892)
Net cash from operating activities	39	61,532	24,771
Cash flows from investing activities			
Proceeds from disposal of lease portfolio assets	11	16,895	5,851
Acquisition of lease portfolio assets	11	(24,223)	(8,060)
Payments for property, plant and equipment	13	(305)	(334)
Payments for intangibles	14	(1,965)	(379)
Net cash used in investing activities		(9,598)	(2,922)
Cash flows from financing activities			
Proceeds from issue of shares		–	1,604
Share issue transaction costs		–	(5,824)
Proceeds from borrowings		13,117	7,364
Repayment of borrowings		(13,349)	(6,372)
Dividends paid	26	(21,175)	–
Net cash received on acquisition of SG Fleet Holdings Pty Limited		–	39,285
Net cash from/(used in) financing activities		(21,407)	36,057
Net increase in cash and cash equivalents		30,527	57,906
Cash and cash equivalents at the beginning of the financial year		57,906	–
Effects of exchange rate changes on cash and cash equivalents		710	–
Cash and cash equivalents at the end of the financial year	8	89,143	57,906

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

Notes to the Financial Statements

30 June 2015

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 the subsidiaries it controlled at the end of, or during, the year (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

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

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 17 August 2015. 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. These policies have been consistently applied to all the periods presented, unless otherwise stated.

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, except for derivative financial instruments at fair value.

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 current period results are for the financial year ended 30 June 2015. The comparative results are for the period from 6 March 2014, when the Company acquired SG Fleet Holdings Pty Limited and its subsidiaries, 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 35.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of SG Fleet Group Limited as at 30 June 2015 and the results of all subsidiaries for the year 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.

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.

Notes to the Financial Statements

30 June 2015

Note 2. Significant accounting policies continued

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.

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 the 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 be applied 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 at 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. 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.

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.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Cash flow hedges

Cash flow hedges are used to cover the Group's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income through the hedging reserve in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

Cash flow hedges are tested for effectiveness on a regular basis both retrospectively and prospectively to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, the amounts recognised in equity are transferred to profit or loss.

If the hedging instrument is sold, terminated, expires, exercised without replacement or rollover, or if the hedge becomes ineffective and is no longer a designated hedge, amounts previously recognised in equity remain in equity until the forecast transaction occurs.

Notes to the Financial Statements

30 June 2015

Note 2. Significant accounting policies continued

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.

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 an indefinite 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.

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 year 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.

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.

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.

Notes to the Financial Statements

30 June 2015

Note 2. Significant accounting policies continued

Employee benefits

Short-term employee benefits

Employee benefits 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 employee benefits 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 based on high quality corporate 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.

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 year and are no longer at the discretion of the Company.

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 year, adjusted for bonus elements in ordinary shares issued during the financial year.

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 2015. 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

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. New hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. The Group will adopt this standard from 1 July 2018 but the impact of its adoption is not likely to be material.

AASB 15 Revenue from Contracts with Customers

This standard is currently applicable to annual reporting periods beginning on or after 1 January 2017. Exposure Draft (ED 263) 'Effective Date of AASB 15' proposes to defer the application date by one year (1 January 2018). The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services). The Group expects to adopt this standard from 1 July 2018 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.

Notes to the Financial Statements

30 June 2015

Note 3. Critical accounting judgements, estimates and assumptions *continued*

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.

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 valu-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.

IPO Exit Fee and Bonus Shares and Bonus Payments expense (comparative period)

As part of the Initial Public Offering ('IPO') that occurred in comparative period ended 30 June 2014, the Group received an Exit Fee from the Exiting Shareholders in compensation for the services performed by management in pursuing the IPO. The services to the Exiting Shareholders were mainly performed in the period preceding the IPO, but the Exit Fee was conditional upon the completion of the transactions that resulted in the formation of SG Fleet Group Limited and its subsidiaries ('SG Fleet Group'). Therefore the Exit Fee and associated bonus shares and bonus payments ('the employee expenses') that were conditional upon the IPO were recognised in profit or loss of the newly formed SG Fleet Group in the period from 6 March 2014 to 30 June 2014.

The Directors believe that the recognition of the above transactions in the prior period was appropriate. However, the Directors note that an alternative interpretation of when to recognise items of income

or expense when a contingency is released could have resulted in the Exit Fee and the employee expenses being recognised before the formation of the SG Fleet Group (i.e. by anticipating the consummation of the transaction).

If the Exit Fee and employee expenses had been recognised as transactions of the pre-formation period, the impact would have been to reduce net profit for the period ended 30 June 2014 by \$1,424,000.

The Directors note that the alternative interpretation would have no impact on the pro forma net profit for the period ended 30 June 2014 (as presented in the Chief Executive Officer's Report in the 2014 Annual Report), the net profit for the year ended 30 June 2015 or the retained earnings as at 30 June 2015 or 30 June 2014.

Transaction costs on the issue of shares (comparative period)

In the period ended 30 June 2014, \$5,824,000 of transaction costs, net of tax, associated with the issue of new shares were deducted from equity in accordance with the Group's accounting policies.

An alternative interpretation of AASB 132 'Financial Instruments: Presentation' would be that transaction costs associated with the issue of new shares that replace existing shares should be expensed in profit or loss and not treated as a deduction in equity. Under this alternative interpretation, transaction costs should be apportioned between equity and expense where they cover both the issue of new shares and the replacement of existing shares.

If the Group had adopted the alternative interpretation, \$3,635,000 of post-tax transaction costs would have been expensed in profit or loss for the period 6 March 2014 to 30 June 2014 reducing profit after income tax from \$15,620,000 to \$11,985,000. The balance of \$2,189,000 in post-tax transaction costs would have been recognised as a pre-acquisition expense in the profit or loss prior to 6 March 2014 and would thus have resulted in a reduction in retained earnings and an increase in issued capital of \$2,189,000.

The alternative interpretation would have no impact on the net assets of the Group as at 30 June 2014 as the issued capital would have increased by an amount equal to the reduction in retained earnings resulting in total equity remaining unchanged at \$129,016,000. The Directors note that the alternative interpretation would have no impact on the pro forma net profit for the period ended 30 June 2014 (as presented in the Chief Executive Officer's Report in the 2014 Annual Report) or the net profit for the year ended 30 June 2015.

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 EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Prior year balances have been reclassified from Corporate segment into Australia segment to reflect how the balances are monitored by the CODM.

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 – Year ended 30 Jun 2015						
Revenue						
Sales to external customers	162,078	2,596	5,106	–	(354)	169,426
Interest	1,916	24	9	2	–	1,951
Total revenue	163,994	2,620	5,115	2	(354)	171,377
EBITDA						
Depreciation and amortisation	(3,978)	(643)	(2,477)	(57)	–	(7,155)
Finance costs	(580)	(3)	(273)	(2,647)	(15)	(3,518)
Profit/(loss) before income tax expense	64,475	(383)	(1,610)	(3,716)	–	58,766
Income tax expense						(18,284)
Profit after income tax expense						40,482
Assets						
Segment assets	287,558	6,261	16,159	–	–	309,978
Total assets						309,978
Liabilities						
Segment liabilities	148,573	3,293	8,730	–	–	160,596
Total liabilities						160,596

Notes to the Financial Statements

30 June 2015

Note 4. Operating segments continued

	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
Interest	480	12	3	–	–	495
Total revenue	53,441	758	1,841	8,043	–	64,083
EBITDA						
Depreciation and amortisation	(809)	(189)	(759)	–	–	(1,757)
Finance costs	(374)	–	(67)	(637)	(10)	(1,088)
Profit/(loss) before income tax expense	17,259	(100)	(200)	6,770	–	23,729
Income tax expense						(8,109)
Profit after income tax expense						15,620
Assets						
Segment assets	258,638	4,510	14,426	–	–	277,574
Total assets						277,574
Liabilities						
Segment liabilities	141,292	987	6,279	–	–	148,558
Total liabilities						148,558

Note 5. Revenue

	Consolidated	
	Year ended 30 Jun 2015 \$'000	Period ended 30 Jun 2014 \$'000
<i>Sales revenue</i>		
Management and maintenance income	63,970	20,156
Additional products and services	48,771	16,938
Funding commissions	29,305	8,556
End of lease income	11,275	4,285
Rental income	10,819	3,489
Other income	5,286	2,024
Initial public offering – exit fee	–	8,140
	169,426	63,588
<i>Other revenue</i>		
Interest	1,951	495
Revenue	171,377	64,083

Note 6. Expenses

	Consolidated	
	Year ended 30 Jun 2015 \$'000	Period ended 30 Jun 2014 \$'000
Profit before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Leasehold improvements	7	3
Fixtures and fittings	431	149
Motor vehicles	59	19
Leased motor vehicle assets	6,020	1,407
Total depreciation	6,517	1,578
<i>Amortisation</i>		
Software	581	179
Total depreciation and amortisation	7,098	1,757
<i>Impairment</i>		
Intangibles – customer contracts	57	–
<i>Finance costs</i>		
External borrowing costs for corporate debt	2,664	637
External borrowing costs for lease portfolio	765	262
Net foreign exchange losses	89	189
Total finance costs	3,518	1,088
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	4,648	1,526
<i>Superannuation expense</i>		
Defined contribution superannuation expense	3,136	982

Notes to the Financial Statements

30 June 2015

Note 7. Income tax expense

	Consolidated	
	Year ended 30 Jun 2015 \$'000	Period ended 30 Jun 2014 \$'000
<i>Income tax expense</i>		
Current tax	17,735	7,032
Deferred tax – origination and reversal of temporary differences	549	1,077
Aggregate income tax expense	18,284	8,109
Deferred tax included in income tax expense comprises:		
Decrease in deferred tax assets (note 12)	549	1,077
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit before income tax expense	58,766	23,729
Tax at the statutory tax rate of 30%	17,630	7,119
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	43	–
Non-deductible expenses	18	11
Assessed loss	–	84
Preference share dividends	–	(129)
Bonus shares	–	1,019
	17,691	8,104
Current year tax losses not recognised	437	–
Difference in overseas tax rates	156	5
Income tax expense	18,284	8,109
<i>Amounts credited directly to equity</i>		
Deferred tax assets (note 12)	–	(2,417)
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	11,911	9,603
Potential tax benefit at the statutory tax rate of 30%	3,573	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.

Note 8. Cash and cash equivalents

	Consolidated	
	2015 \$'000	2014 \$'000
Cash at bank	79,210	45,352
Secured deposits	9,933	12,554
	89,143	57,906
Amount expected to be recovered within 12 months	89,143	57,906

Secured deposits represents cash held by the Group as required under the funding arrangement between the Group and the financiers under its lease portfolio facilities and are not available as free cash for the purpose of operations of the Group.

Note 9. Finance, trade and other receivables

	Consolidated	
	2015 \$'000	2014 \$'000
Trade receivables	33,102	34,776
Less: Provision for impairment of receivables	(40)	(56)
	33,062	34,720
Prepayments	6,954	6,866
Finance lease receivables	56	155
	40,072	41,741
Amount expected to be recovered within 12 months	40,062	41,711
Amount expected to be recovered after more than 12 months	10	30
	40,072	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	
	2015 \$'000	2014 \$'000
Opening balance	56	–
Additions through group reorganisation	–	74
Unused amounts reversed	(16)	(18)
Closing balance	40	56

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

Notes to the Financial Statements

30 June 2015

Note 9. Finance, trade and other receivables continued

Past due but not impaired

Customers with balances past due but without provision for impairment of receivables amount to \$257,000 as at 30 June 2015 (\$nil as at 30 June 2014).

The ageing of the past due but not impaired receivables are as follows:

	Consolidated	
	2015 \$'000	2014 \$'000
Within one year overdue	257	–

	Consolidated	
	2015 \$'000	2014 \$'000

Finance lessor commitments

Committed at the reporting date and recognised as assets, receivable:

Within one year	53	130
One to five years	10	31
Total commitment	63	161
Less: Future finance charges	(7)	(6)
Net commitment recognised as assets	56	155

Note 10. Inventories

	Consolidated	
	2015 \$'000	2014 \$'000
End-of-term operating lease assets held for disposal	4,921	4,643
Amount expected to be recovered within 12 months	4,921	4,643

Note 11. Leased motor vehicle assets

	Consolidated	
	2015 \$'000	2014 \$'000
Lease portfolio assets – at cost	26,929	25,974
Less: Accumulated depreciation	(8,813)	(9,814)
Less: Impairment	(452)	(472)
	17,664	15,688
Amount expected to be recovered within 12 months	6,064	8,465
Amount expected to be recovered after more than 12 months	11,600	7,223
	17,664	15,688

Reconciliations

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

Consolidated	Leased assets \$'000	Total \$'000
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)
Depreciation expense	(1,407)	(1,407)
Balance at 30 June 2014	15,688	15,688
Additions	24,223	24,223
Disposals	(16,895)	(16,895)
Revaluation increments	61	61
Exchange differences	607	607
Depreciation expense	(6,020)	(6,020)
Balance at 30 June 2015	17,664	17,664

Notes to the Financial Statements

30 June 2015

Note 12. Deferred tax

	Consolidated	
	2015 \$'000	2014 \$'000
<i>Deferred tax asset comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Property, plant and equipment	85	405
Employee benefits	1,451	1,348
Deferred expenses	1,608	(154)
Provisions	3,741	4,816
Doubtful debts	240	235
Deferred income	6,429	5,417
Prepayments	(1,824)	(1,793)
Accrued expenses	2,753	2,341
	14,483	12,615
Amounts recognised in equity:		
Transaction costs on share issue	–	2,417
Deferred tax asset	14,483	15,032
Amount expected to be recovered after more than 12 months	14,483	15,032
<i>Movements:</i>		
Opening balance	15,032	–
Charged to profit or loss (note 7)	(549)	(1,077)
Credited to equity (note 7)	–	2,417
Additions through group reorganisation	–	13,692
Closing balance	14,483	15,032

Note 13. Property, plant and equipment

	Consolidated	
	2015 \$'000	2014 \$'000
Leasehold improvements – at cost	679	679
Less: Accumulated depreciation	(660)	(653)
	19	26
Fixtures and fittings – at cost	2,851	2,535
Less: Accumulated depreciation	(1,960)	(1,519)
	891	1,016
Motor vehicles – at cost	220	233
Less: Accumulated depreciation	(127)	(76)
	93	157
	1,003	1,199
Amount expected to be recovered after more than 12 months	1,003	1,199

Reconciliations

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

Consolidated	Leasehold improvements \$'000	Fixtures and fittings \$'000	Motor vehicles \$'000	Total \$'000
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
Additions	–	305	–	305
Exchange differences	–	1	(5)	(4)
Depreciation expense	(7)	(431)	(59)	(497)
Balance at 30 June 2015	19	891	93	1,003

Notes to the Financial Statements

30 June 2015

Note 14. Intangibles

	Consolidated	
	2015 \$'000	2014 \$'000
Goodwill – at cost	136,460	136,460
Customer contracts – at cost	706	706
Less: Impairment	(57)	–
	649	706
Software – at cost	6,690	4,725
Less: Accumulated amortisation	(1,107)	(526)
	5,583	4,199
	142,692	141,365
Amount expected to be recovered after more than 12 months	142,692	141,365

Reconciliations

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

Consolidated	Goodwill \$'000	Customer contracts \$'000	Software \$'000	Total \$'000
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
Additions	–	–	1,965	1,965
Impairment of assets	–	(57)	–	(57)
Amortisation expense	–	–	(581)	(581)
Balance at 30 June 2015	136,460	649	5,583	142,692

Goodwill acquired through business combinations have been allocated to the following cash-generating segment:

	Consolidated	
	2015 \$'000	2014 \$'000
Australia	136,460	136,460

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 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% (2014: 0%);
- 7.5% (2014: 7.6%) per annum 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 of 11.70% (2014: 11.87%) 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	
	2015 \$'000	2014 \$'000
Trade payables	33,626	33,812
Accrued expenses	7,785	6,628
Residual values payable to financiers	5,522	3,541
	46,933	43,981
Amount expected to be settled within 12 months	46,933	43,981

Refer to note 27 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 \$9,933,000 (2014: \$8,554,000).

Note 16. Derivative financial instruments

	Consolidated	
	2015 \$'000	2014 \$'000
Interest rate swap contracts – cash flow hedges	7	–
Amount expected to be settled after more than 12 months	7	–

Refer to note 27 for further information on financial instruments.

Refer to note 28 for further information on fair value measurement.

Notes to the Financial Statements

30 June 2015

Note 17. Income tax

	Consolidated	
	2015 \$'000	2014 \$'000
Provision for income tax	8,982	2,460
Amount expected to be settled within 12 months	8,982	2,460

Note 18. Employee benefits provision

	Consolidated	
	2015 \$'000	2014 \$'000
Annual leave	2,457	2,453
Long service leave	2,486	2,135
	4,943	4,588
Amount expected to be settled within 12 months	2,457	2,453
Amount expected to be settled after more than 12 months	2,486	2,135
	4,943	4,588

Note 19. Residual risk provision

	Consolidated	
	2015 \$'000	2014 \$'000
Residual risk	12,368	15,949
Amount expected to be settled within 12 months	4,159	3,555
Amount expected to be settled after more than 12 months	8,209	12,394
	12,368	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 – 2015	
Carrying amount at the start of the year	15,949
Residual value losses debited to the provision	(3,588)
Exchange differences	7
Carrying amount at the end of the year	12,368

Note 20. Borrowings

	Consolidated	
	2015 \$'000	2014 \$'000
Bank loans	32,250	32,250
Lease portfolio liabilities	11,618	11,266
	43,868	43,516
Amount expected to be settled within 12 months	6,162	7,877
Amount expected to be settled after more than 12 months	37,706	35,639
	43,868	43,516

Refer to note 27 for further information on financial instruments.

Total secured liabilities

The total secured liabilities are as follows:

	Consolidated	
	2015 \$'000	2014 \$'000
Bank loans	32,250	32,250
Lease portfolio liabilities	11,618	11,266
	43,868	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 Group. The facility is repayable by way of a bullet payment of \$32,250,000 in November 2018.

Lease portfolio liabilities

The lease portfolio liabilities are secured by the underlying funded assets and lease 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.

Notes to the Financial Statements

30 June 2015

Note 20. Borrowings continued

Financing arrangements

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

	Consolidated	
	2015 \$'000	2014 \$'000
Total facilities		
Banking facilities	56,742	40,314
Lease portfolio facilities	40,714	33,561
	97,456	73,875
Used at the reporting date		
Banking facilities	49,157	34,061
Lease portfolio facilities	11,617	11,266
	60,774	45,327
Unused at the reporting date		
Banking facilities	7,585	6,253
Lease portfolio facilities	29,097	22,295
	36,682	28,548

Note 21. Vehicle maintenance funds

	Consolidated	
	2015 \$'000	2014 \$'000
Vehicle maintenance funds	17,948	14,947
Amount expected to be settled within 12 months	5,946	5,015
Amount expected to be settled after more than 12 months	12,002	9,932
	17,948	14,947

Note 22. Deferred income

	Consolidated	
	2015 \$'000	2014 \$'000
Deferred income	25,547	23,117
Amount expected to be settled within 12 months	4,117	3,504
Amount expected to be settled after more than 12 months	21,430	19,613
	25,547	23,117

Note 23. Equity – issued capital

	Consolidated			
	2015 Shares	2014 Shares	2015 \$'000	2014 \$'000
Ordinary shares – fully paid	242,691,826	242,691,826	232,768	232,768

Movements in ordinary share capital

Details	Date	Shares	\$'000
Balance	15 January 2014	2	–
Shares issued on acquisition of SG Fleet Holdings Pty Limited	6 March 2014	139,102,135	46,951
Issue of shares on Initial Public Offering	6 March 2014	101,943,359	188,595
Bonus shares issued to employees	6 March 2014	1,646,330	3,046
Transaction costs		–	(5,824)
Balance	30 June 2014	242,691,826	232,768
Balance	30 June 2015	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 Group monitors capital on the basis of its gearing ratio. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

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.

The capital risk management policy remains unchanged from the 30 June 2014 Annual Report.

Notes to the Financial Statements

30 June 2015

Note 24. Equity – reserves

	Consolidated	
	2015 \$'000	2014 \$'000
Foreign currency reserve	393	(336)
Hedging reserve – cash flow hedges	(7)	–
Share-based payments reserve	459	122
Capital reserve	(119,158)	(119,158)
	(118,313)	(119,372)

Foreign currency reserve

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

Hedging reserve – cash flow hedges

The reserve is used to recognise the effective portion of the gain or loss of cash flow hedge instruments that is determined to be an effective hedge.

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 (comparative period)

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), effective 6 March 2014, the acquisition did not meet the definition of a business combination in accordance with AASB 3 'Business Combinations'. Instead, the combination was 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 were reflected at their carrying amounts. No adjustments were made to reflect fair values, or recognise any new assets or liabilities, that would otherwise be required under AASB 3;
- No 'new' goodwill was recognised as a result of the combination. The only goodwill that was recognised was 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 was reflected in equity as a 'capital reserve' of \$119,158,000; and
- The statement of profit or loss and other comprehensive income for the comparative period reflects the results of the combined entities from 6 March 2014 to 30 June 2014.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency \$'000	Cash flow hedge \$'000	Share-based payments \$'000	Capital \$'000	Total \$'000
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)
Foreign currency translation	729	–	–	–	729
Movement in hedge	–	(7)	–	–	(7)
Share-based payments	–	–	337	–	337
Balance at 30 June 2015	393	(7)	459	(119,158)	(118,313)

Note 25. Equity – retained profits

	Consolidated	
	2015 \$'000	2014 \$'000
Retained profits at the beginning of the financial year	15,620	–
Profit after income tax expense for the year	40,482	15,620
Dividends paid (note 26)	(21,175)	–
Retained profits at the end of the financial year	34,927	15,620

Note 26. Equity – dividends

Dividends

Dividends paid during the financial year were as follows:

	Consolidated	
	Year ended 30 Jun 2015 \$'000	Period ended 30 Jun 2014 \$'000
Final dividend for the period ended 30 June 2014 of 4 cents per share paid on 29 October 2014	9,708	–
Interim dividend for the year ended 30 June 2015 of 4.725 cents per share paid on 22 April 2015	11,467	–
	21,175	–

On 17 August 2015, the Directors declared a fully franked final dividend for the year ended 30 June 2015 of 6.117 cents per ordinary shares, to be paid on 22 October 2015 to eligible shareholders on the register as at 1 October 2015. This equates to a total estimated distribution of \$14,846,000, based on the number of ordinary shares on issue as at 30 June 2015. The financial effect of dividends declared after the reporting date are not reflected in the 30 June 2015 financial statements and will be recognised in subsequent financial reports.

Notes to the Financial Statements

30 June 2015

Note 26. Equity – dividends continued

Franking credits

	Consolidated	
	2015 \$'000	2014 \$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	17,749	13,622

The above amounts represent the balance of the franking account as at the end of the financial year, 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 27. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate 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 Audit, Risk and Compliance Committee, a sub-committee of the Board, has 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 is not exposed to any significant foreign currency risk, except for translation of financial assets and liabilities of foreign subsidiaries into presentation currency.

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:

Consolidated	2015 Balance \$'000	2014 Balance \$'000
Lease portfolio facilities	(3,149)	(6,558)
Residual value payables to financiers	(5,522)	(3,541)
Cash at bank	79,210	45,352
Secured deposits	9,933	12,554
Net exposure to cash flow interest rate risk	80,472	47,807

An official increase / decrease in interest rates of 50 (2014: 50) basis points would have a favourable / adverse effect on profit before tax and equity of \$402,000 (2014: \$239,000) per annum. The percentage change is based on the expected volatility of interest rates using market data and analyst's 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.

Financing arrangements

Unused borrowing facilities at the reporting date:

	Consolidated	
	2015 \$'000	2014 \$'000
Banking facilities	7,585	6,253
Lease portfolio facilities	29,097	22,295
	36,682	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.

Notes to the Financial Statements

30 June 2015

Note 27. Financial instruments continued

Consolidated – 2015	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
Non-derivatives					
<i>Non-interest bearing</i>					
Trade payables	33,626	–	–	–	33,626
<i>Interest-bearing – variable</i>					
Lease portfolio liabilities	3,203	–	–	–	3,203
Residual value payable to financiers	5,553	–	–	–	5,553
<i>Interest-bearing – fixed rate</i>					
Bank loans	2,099	2,099	35,399	–	39,597
Lease portfolio facilities	3,337	2,975	2,781	–	9,093
Total non-derivatives	47,818	5,074	38,180	–	91,072
Derivatives					
Interest rate swaps net settled	–	–	7	–	7
Total derivatives	–	–	7	–	7

Consolidated – 2014	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
Non-derivatives					
<i>Non-interest bearing</i>					
Trade payables	33,812	–	–	–	33,812
<i>Interest-bearing – variable</i>					
Lease portfolio liabilities	6,626	144	–	–	6,770
Residual value payable to financiers	3,565	–	–	–	3,565
<i>Interest-bearing – fixed rate</i>					
Bank loans	2,922	33,711	–	–	36,633
Lease portfolio facilities	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 28. Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated – 2015	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Liabilities</i>				
Derivative financial instruments – Interest rate swap contracts	–	7	–	7
Total liabilities	–	7	–	7

There were no transfers between levels during the financial year.

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.

Valuation techniques for fair value measurements categorised within Level 2 and Level 3

Derivative financial instruments have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

Note 29. 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	
	Year ended 30 Jun 2015 \$	Period ended 30 Jun 2014 \$
Short-term employee benefits	3,145,282	1,993,923
Post-employment benefits	108,202	14,585
Long-term benefits	39,566	53,393
Share-based payments	254,454	1,428,046
	3,547,504	3,489,947

In 2014 the Non-Executive Directors were also paid \$52,900 plus superannuation of \$2,725 for services rendered prior to the IPO.

Notes to the Financial Statements

30 June 2015

Note 30. Remuneration of auditors

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

	Consolidated	
	Year ended 30 Jun 2015 \$	Period ended 30 Jun 2014 \$
<i>Audit services – KPMG</i>		
Audit or review of the financial statements	340,787	390,066
<i>Other services – KPMG</i>		
Tax services	51,882	–
Corporate advisory including IPO	130,242	905,095
	182,124	905,095
	522,911	1,295,161

Note 31. Commitments – operating lease receivable

	Consolidated	
	Year ended 30 Jun 2015 \$'000	Period ended 30 Jun 2014 \$'000
Committed at the reporting date, receivable:		
Within one year	4,091	4,004
One to five years	3,780	2,394
	7,871	6,398

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

Note 32. Contingent liabilities

The Group has entered into agreements with its lease portfolio financiers under which the residual value risk inherent in operating leases is transferred from the financier of the asset to the Group at the end of the lease. Under these agreements, at the end of the contractual lease term for each vehicle, the Group is obliged to pay the guaranteed residual value amount to the financier. The company then sells the vehicles and realises a profit or loss on sale. Bank guarantees and letters of credit have been issued to lease portfolio financiers as security for these obligations.

An amount of \$12,368,000 (2014: \$15,949,000) has been recognised as a residual value provision, calculated on an onerous pool basis, to cover potential shortfalls on the disposal of these vehicles.

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 33. Commitments for expenditure

	Consolidated	
	2015 \$'000	2014 \$'000
<i>Lease commitments – operating</i>		
Committed at the reporting date but not recognised as liabilities:		
Within one year	2,657	2,657
One to five years	3,441	4,266
More than five years	25	–
	<u>6,123</u>	<u>6,923</u>
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities:		
Intangible assets	<u>3,057</u>	<u>4,383</u>

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 34. 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 36.

Key management personnel

Disclosures relating to key management personnel are set out in note 29 and the remuneration report in the Directors' report.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

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

Loans to/from related parties

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

Notes to the Financial Statements

30 June 2015

Note 35. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	Year ended 30 Jun 2015 \$'000	Period ended 30 Jun 2014 \$'000
Loss after income tax	(709)	(517)
Total comprehensive income	(709)	(517)

Statement of financial position

	Parent	
	2015 \$'000	2014 \$'000
Total current assets	–	–
Total assets	446,712	448,580
Total current liabilities	8,991	5,621
Total liabilities	25,957	5,941
Equity		
Issued capital	443,156	443,156
Accumulated losses	(22,401)	(517)
Total equity	420,755	442,639

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity and its subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others. No deficiencies of assets exist in any of these subsidiaries. Refer to note 37 for further details.

The parent entity has also provided guarantees and indemnities for bank facilities. Refer to note 20 for further details.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2015 and 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 2015 and 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 36. 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	
		2015 %	2014 %
SG Fleet Solutions Pty Limited	Australia	100.00	100.00
SG Fleet Holdings Pty Limited	Australia	100.00	100.00
SG Fleet Finance Pty Limited	Australia	100.00	100.00
SG Fleet Investments Pty Ltd	Australia	100.00	100.00
SG Fleet Management Pty Limited	Australia	100.00	100.00
SG Fleet Australia Pty Limited	Australia	100.00	100.00
SG Fleet NZ Limited	New Zealand	100.00	100.00
SG Fleet UK Limited	United Kingdom	100.00	100.00
Fleet Care Services Pty Limited	Australia	100.00	100.00
SG Fleet Salary Packaging Pty Limited	Australia	100.00	100.00
Beta Dimensions Pty Limited	Australia	100.00	100.00
SMB Car Sales Pty Limited	Australia	100.00	100.00

Note 37. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

SG Fleet Group Limited (holding entity)
SG Fleet Solutions Pty Limited*
SG Fleet Holdings Pty Limited*
SG Fleet Finance Pty Limited*
SG Fleet Investments Pty Ltd*
SG Fleet Management Pty Limited*
SG Fleet Australia Pty Limited*
Fleet Care Services Pty Limited*
SG Fleet Salary Packaging Pty Limited*
Beta Dimensions Pty Limited*
SMB Car Sales Pty Limited*
SG Fleet NZ Limited
SG Fleet UK Limited

By entering into the deed, the Australian wholly-owned entities (denoted above by an asterisk (*)) have been relieved from the requirement to prepare financial statements and Directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission ('ASIC').

The above companies represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by SG Fleet Group Limited, they also represent the 'Extended Closed Group'.

The statement of profit or loss and other comprehensive income and statement of financial position for the Closed Group are the same as the Group and therefore have not been separately disclosed.

Notes to the Financial Statements

30 June 2015

Note 38. Events after the reporting period

Apart from the dividend declared as disclosed in note 26, no other matter or circumstance has arisen since 30 June 2015 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 39. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	Year ended 30 Jun 2015 \$'000	Period ended 30 Jun 2014 \$'000
Profit after income tax expense for the year	40,482	15,620
Adjustments for:		
Depreciation and amortisation	7,098	1,757
Impairment of intangibles	57	–
Finance costs – non-cash	–	(430)
Share-based payments	337	122
Bonus share issue	–	3,046
Leased motor vehicles – fair value increments	(61)	–
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	1,669	(5,044)
Decrease/(increase) in inventories	(278)	1,091
Decrease in deferred tax assets	549	1,076
Decrease in other operating assets	–	192
Increase in trade and other payables	5,953	5,070
Increase in provision for income tax	6,522	2,141
Increase in employee benefits provision	355	471
Decrease in other provisions	(3,581)	(1,131)
Increase in deferred income	2,430	790
Net cash from operating activities	61,532	24,771

Note 40. Earnings per share

	Consolidated	
	Year ended 30 Jun 2015 \$'000	Period ended 30 Jun 2014 \$'000
Profit after income tax attributable to the owners of SG Fleet Group Limited	40,482	15,620
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	242,691,826	171,053,878
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	113,454	5,796,623
Weighted average number of ordinary shares used in calculating diluted earnings per share	242,805,280	176,850,501
	Cents	Cents
Basic earnings per share	16.68	9.13
Diluted earnings per share	16.67	8.83

Note 41. Share-based payments

The Group has a share option plan to incentivise certain employees and Key Management Personnel. The share-based payment expense for the year was \$337,000 (2014: \$122,000). The share option plan is subject to a service condition and a performance condition. The performance condition is based on the compound annual growth rate ('CAGR') of the Group's earnings per share.

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

2015

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

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 two years (2014: three years).

Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes 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 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 give a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 37 to the financial statements.

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

17 August 2015
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 2015, and consolidated statement of profit or loss and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 41 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In note 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 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2.

Report on the remuneration report

We have audited the Remuneration Report included in pages 9 to 19 of the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

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



KPMG



Peter Russell
Partner

Sydney
17 August 2015

Shareholder Information

The shareholder information set out below was applicable as at 31 July 2015.

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	182	–
1,001 to 5,000	231	–
5,001 to 10,000	179	–
10,001 to 100,000	413	–
100,001 and over	69	9
	1,074	9
Holding less than a marketable parcel	11	–

Equity security holders

Twenty largest quoted equity security holders

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

	Ordinary shares	
	Number held	% of total shares issued
Bluefin Investments Limited	131,044,373	54.00
National Nominees Limited	14,425,047	5.94
Citicorp Nominees Pty Limited	13,968,050	5.76
BNP Paribas Noms Pty Ltd (DRP)	11,046,241	4.55
HSBC Custody Nominees (Australia) Limited	8,705,329	3.59
J P Morgan Nominees Australia Limited	8,130,513	3.35
Robert Pinkas Blau	6,756,425	2.78
RBC Investor Services Australia Nominees P/L (WAM Account)	4,937,995	2.03
RBC Investor Services Australia Nominees Pty Limited (PI Pooled A/C)	3,508,422	1.45
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)	1,450,383	0.60
Yogan Nagaratnam + Sheila Shanthi Nagaratnam (Cobragem Superfund A/C)	1,197,925	0.49
Andrew Brian Mulcaster + Helen Jane Mulcaster (Mulcaster Superfund A/C)	1,006,255	0.41
Australian Executor Trustees Limited (No 1 Account)	980,664	0.40
Ron Polkinghorne Super Fund Pty Ltd (Ron Polkinghorne S/Fund A/C)	931,920	0.38
Aust Executor Trustees Ltd (DS Capital Growth Fund)	794,262	0.33
HSBC Custody Nominees (Australia) Limited (NT-Comnwlth Super Corp A/C)	765,667	0.32
RBC Investor Services Australia Nominees Pty Limited (PISelect)	631,823	0.26
	215,422,324	88.76

Shareholder Information

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:

	Ordinary shares	
	Number held	% of total shares issued
Bluefin Investments Limited	131,044,373	54.00

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

Sarah Anne Edwards

Notice of annual general meeting

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

Bridge Room, Level 1
Intercontinental Hotel
117 Macquarie Street
Sydney NSW 2000

3:00 PM on Wednesday 14 October 2015

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

Corporate Governance Statement

The Corporate Governance Statement which was approved on 17 August 2015 can be found at <http://investors.sgfleet.com/Investors/?page=Corporate-Governance-Statement>

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 2015

SG Fleet Group Limited
ABN 40 167 554 574

Notice is given that the second Annual General Meeting of SG Fleet Group Limited (the Company) will be held on Wednesday 14 October 2015 at the Bridge Room, Level 1, the Intercontinental Hotel, 117 Macquarie Street, Sydney, NSW commencing at 3.00 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 2015.

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 2015 be adopted".

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

3. Election of Mr Edwin Jankelowitz

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

"That Mr Edwin Jankelowitz, having been appointed by the Board since the last Annual General Meeting, retires in accordance with ASX Listing Rule 14.4 and Rule 8.1(c) of the Company's Constitution, and being eligible, is elected as a Director of the Company".

4. Election of Mr Kevin Victor Wundram

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

"That Mr Kevin Victor Wundram, having been appointed by the Board since the last Annual General Meeting, retires in accordance with ASX Listing Rule 14.4 and Rule 8.1(c) of the Company's Constitution, and being eligible, is elected as a Director 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 Monday 12 October 2015 will be entitled to vote.

Notice of Annual General Meeting

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 3.00pm (AEDT) on Monday 12 October 2015) in one of the ways specified above.

Dated 11 September 2015

By order of the Board



Sarah Edwards

Company Secretary

Explanatory Notes

These Explanatory Notes have been prepared to help shareholders understand the business to be put to shareholders at the 2015 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 2015 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 2015 is set out in the Directors’ Report which forms part of the Company’s 2015 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 – Election of Mr Edwin Jankelowitz as a Director

On 18 August 2015, the Company announced the appointment of Mr Edwin Jankelowitz as an independent Non-Executive Director. ASX Listing Rule 14.4 and Rule 8.1(c) of the Company’s Constitution provides that a Director appointed as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the entity. In accordance with Rule 8.1(f) of the Company’s Constitution, Mr Jankelowitz retires, and being eligible, offers himself for election.

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

Mr Jankelowitz qualified as a Chartered Accountant (SA) in 1966. From July 1967 to November 1979, he was with Adcock Ingram Ltd in Head Office and was promoted over time to Group Company Secretary and then Finance Director. From January 1980 to March 1983, Mr Jankelowitz was a consultant in business management and tax. At Caxton Limited, from 1983 to 1997, Mr Jankelowitz held the positions of Finance Director, Managing Director and then Chairman. He was Finance Director of Metcash Trading Limited and Metcash Limited from May 1998 to January 2011, and Non-Executive Director of the company until August 2015. Mr Jankelowitz has spent over 40 years in corporate offices and has been Chairman of a number of listed companies. He was a member of the Income Tax Special Court in South Africa for 20 years (1977-1997).

Board recommendation

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

Explanatory Notes

Item 4 – Election of Mr Kevin Victor Wundram as a Director

On 18 August 2015, the Company announced the appointment of Mr Kevin Victor Wundram as a Non-independent Executive Director. ASX Listing Rule 14.4 and Rule 8.1(c) of the Company's Constitution provides that a Director appointed as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the entity. In accordance with Rule 8.1(f) of the Company's Constitution, Mr Wundram retires, and being eligible, offers himself for election.

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

Mr Wundram has been CFO of SG Fleet Group since July 2006 and has over 11 years of experience in the fleet management and leasing industry. Prior to joining SG Fleet Group, Mr Wundram was responsible for special projects at Super Group Limited, including the execution of acquisitions, disposals and due diligence. Mr Wundram was also a member of the management committees of the Automotive Parts, Commercial Vehicle Dealerships and Supply Chain Divisions. Prior to joining Super Group, Mr Wundram worked in the audit and corporate finance divisions of KPMG South Africa for six years.

Mr Wundram's qualifications are a Bachelor of Commerce from the University of the Witwatersrand, an Honours Bachelor of Accounting Science degree from the University of South Africa, and he is a Chartered Accountant.

Board recommendation

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



SG Fleet Group Limited
ABN 40 167 554 574

┌ 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

XX

For your vote to be effective it must be received by 3.00 pm (AEDT) on Monday 12 October 2015

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: 1999999999



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

I ND

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 Bridge Room, Level 1, the Intercontinental Hotel, 117 Macquarie Street Street, Sydney, NSW on Wednesday 14 October 2015 at 3.00 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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Election of Mr Edwin Jankelowitz	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Election of Mr Kevin Victor Wundram	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date / / _____

SGF

201135A

Computershare +



SG Fleet Group Limited
ABN 40 167 554 574

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 SUBURB
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

Sarah Edwards
Company Secretary