Level 32, 1 O'Connell Street
Sydney NSW 2000

W www.eclipx.com

Eclipx Group Limited | ABN: 85 131 557 901

10 November 2015

Market Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Dear Sir / Madam

2015 Financial Results - Appendix 4E and 2015 Financial Report for the year ended 30 September 2015

Please find attached for release to the market the following documents for the year ended 30 September 2015:

- Appendix 4E – Preliminary Final Report, as required by ASX Listing Rule 4.3A; and
- Eclipx Group Limited Financial Report for the year ended 30 September 2015.

Yours faithfully
Matt Sinnamon

Company Secretary
General Counsel

APPENDIX 4E
PRELIMINARY FINAL REPORT
ECLIPX GROUP LIMITED
ACN : 131 557 901

YEAR ENDED 30 SEPTEMBER 2015

1 Details of the reporting period and the previous corresponding period

Current period	1 October 2014 - 30 September 2015
Prior corresponding period	1 October 2013 - 30 September 2014

2 Results for announcement to the market

	Year Ended 30 Sep 2015	Year Ended 30 Sep 2014[1]	Change on Previous Period	Change on Previous Period
Financial Performance	**$'000**	**$'000**	**$'000**	**%**
Revenue from continuing operations	479,568	285,678	193,890	67.9%
Profit / (loss) for the year after tax	27,554	(12,206)	39,760	325.7%
Net profit / (loss) attributable to members	27,554	(12,206)	39,760	325.7%
Cash net profit after tax for the year[2]	48,585	14,890	33,695	226.3%
Earnings per share	**Cents**	**Cents**	**Cents**	**%**
Statutory earnings per share	15.43	(12.83)	28.26	220.3%
Diluted statutory earnings per share	15.36	(12.83)	28.19	219.7%
Cash earnings per share	20.23	14.08	6.14	43.6%
Number of ordinary shares used in calculating	**Units**	**Units**	**Units**	**%**
Statutory earnings per share	178,573,004	95,131,986	83,441,018	87.7%
Diluted statutory earnings per share	179,412,444	95,131,986	84,280,458	88.6%
Cash earnings per share[3]	240,206,298	105,732,481	134,473,817	127.2%

1 - Prior period comparative information excludes all acquisitions occurring post September 2014 and only two months of results for the FleetPlus acquisition that occurred in August 2014.

2- Cash net profit after tax for the year is the statutory profit after tax, adjusted for the after tax effect of material one-off items that does not reflect the ongoing operations of the Group and amortisation of acquired intangible assets.

3- The number of ordinary shares used in calculating the cash earnings per share assumes all shares in issue have been in issue for the entire period.

Dividends	**Amount per security Cents**	**Franked amount per security Cents**
Interim Dividend	Nil	Nil
Final dividend for the period ended 30 September 2015, declared on 9 November 2015. The final dividend will be paid on 29 January 2016 to shareholders registered on 31 December 2015.	6.500	6.500

Commentary
The 2015 results include the costs associated with the initial public offering and the results of the consolidated group including acquisitions that occurred in August 2014 and in October 2014. The 2014 results would exclude all acquisitions occurring post September 2014 and only two months of results for the FleetPlus acquisition that occurred in August 2014. Refer to the 2015 Annual Report accompanying this report for a more detailed commentary.

APPENDIX 4E
PRELIMINARY FINAL REPORT
ECLIPX GROUP LIMITED
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3 Dividend reinvestment plans

The company has a dividend reinvestment plan (DRP) that will be available to holders of ordinary shares. For the final dividend a dividend reinvestment plan discount of 1.5% will apply. DRP elections must be completed by 4 January 2016.

4 Net Tangible Assets Per Security

	Year Ended 30 Sep 2015 cents	Year Ended 30 Sep 2014 cents
Net Tangible Assets Per Ordinary Security	24.18	(170.46)

5 Control gained during the period

Name of entity	Date control gained
Fleet NZ Limited	1 Oct 2014
Pacific Leasing Solutions (NZ) Limited	1 Oct 2014
Leasing Finance (NZ) Limited	1 Oct 2014
PLS Notes (NZ) Limited	1 Oct 2014
Fleet Holding (NZ) Limited	1 Oct 2014
Truck Leasing Limited	1 Oct 2014
Fleet Partners NZ Trust	1 Oct 2014
FP Ignition Trust 2011-1 New Zealand	1 Oct 2014
CarLoans.com.au	16 Oct 2014
CarLoans.co.nz	16 Oct 2014
FleetChoice	16 Oct 2014
CLFC Media Pty Ltd	16 Oct 2014

6 Audited report

The financial report has been audited and an unqualified opinion has been issued.

7 Attachments

The Annual Report of Eclipx Group Limited for the year ended 30 September 2015 is attached.

8 Signed

Kerry CD Roxburgh
Chairman
Sydney

Date: 9 November 2015

Eclipx Group Limited

ACN 131 557 901

Financial report
for the year ended 30 September 2015

Eclipx Group Limited
ACN 131 557 901
Financial report for the year ended 30 September 2015

Contents

Directors' Report

The Directors present their report on the consolidated entity (referred to hereafter as Group or Eclipx) consisting of Eclipx Group Limited (Company) and the entities it controlled at the end of, or during, the year ended 30 September 2015.

1. Directors

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

Kerry Roxburgh	(Chairman, appointed 26 March 2015)
Gail Pemberton	(Appointed 26 March 2015)
Trevor Allen	(Appointed 26 March 2015)
Russell Shields	(Appointed 26 March 2015)
Gregory Ruddock	
Doc Klotz	
Garry McLennan	
Tom Woolley	(Resigned 16 December 2014)
Nick Johnson	(Resigned 26 March 2015)
Holger Michaelis	(Resigned 26 March 2015)

2. Information on Directors

KERRY ROXBURGH BCOM, MBA, MESAA

Chairman since 26 March 2015, Independent Non-Executive Director since 26 March 2015

Mr Kerry Roxburgh has more than 50 years' experience in the financial services industry. He is currently Chairman of Tyro Payments Ltd and Deputy Chairman of Marshall Investments Pty Ltd. After 10 years, he retired as Chairman of the Charter Hall Group in November 2014. He is the Lead Independent Non-Executive Director of Ramsay Health Care Ltd, a Non-Executive Director of the Medical Indemnity Protection Society of Tasman Cargo Airlines Pty Ltd and of MIPS Insurance Ltd. He is also a member of the Advisory Board of Aon Insurance.

He was previously CEO of E*TRADE Australia and was subsequently Non-Executive Chairman until June 2007, when it was acquired by ANZ Bank. Prior to his time at E*TRADE, he was an Executive Director of HSBC Bank Australia where, for 10 years, he held various positions including Head of Corporate Finance and Executive Chairman of HSBC James Capel Australia.

Prior to HSBC, he spent 20 years as a Chartered Accountant with HLB Mann Judd and previously at Arthur Andersen.

He is a Practitioner Member of the Stockbrokers Association of Australia.

GAIL PEMBERTON MA (UTS), FAICD,

Independent Non-Executive Director since 26 March 2015

Ms Gail Pemberton has more than 30 years' experience in banking and wealth management and is a specialist in technology and operations.

Prior to taking up a Non-Executive Director career, she was Chief Operating Officer, UK at BNP Paribas Securities Services and CEO and Managing Director, BNP Paribas Securities Services, Australia and New Zealand. She was previously Group CIO, and subsequently Financial Services Group COO at Macquarie Bank. Her current board roles include Chairman of OneVue Limited and SIRCA and Non-Executive Director of QIC, PayPal Australia and UXC.

She previously was Chairman of Onthehouse, and served on the board of Alleron Funds Management, Air Services Australia, the Sydney Opera House Trust and Harvey World Travel. She has also provided independent consulting services to the NSW Government Department of Premier and Cabinet on their Corporate and Shared Services reform program.

2. Information on Directors (continued)

TREVOR ALLEN BCOM (HONS), CA, FF, MAICD

Independent Non-Executive Director since 26 March 2015

Mr Trevor Allen has over 37 years' of corporate and commercial experience, primarily as a corporate and financial adviser to Australian and international corporates.

He is a Non-Executive Director of Peet Limited, Freedom Foods Group, Yowie Limited and Aon Superannuation Pty Ltd, the trustee of the Aon Master Trust. He was a member of FINSIA's Corporate Finance Advisory Committee for 10 years up until December 2013. He is a Non-Executive Alternate Director, Company Secretary and Public Officer of Australian Fresh Milk Holdings Pty Limited and Fresh Dairy One Pty Limited.

Prior to undertaking non-executive roles, he had senior executive positions as an Executive Director - Corporate Finance at SBC Warburg and its predecessors for eight years and as a Corporate Finance Partner at KPMG for nearly 12 years. At the time of his retirement from KPMG in 2011, he was the Lead Partner in its National Mergers and Acquisitions group.

He was Director - Business Development for Cellarmaster Wines from 1997 to 2000, having responsibility for the acquisition, integration and performance of a number of acquisitions made outside Australia in that period.

RUSSELL SHIELDS FAICD, SA Fin

Independent Non-Executive Director since 26 March 2015

Mr Russell Shields has more than 35 years' experience in financial services including six years as Chairman Queensland and Northern Territory for ANZ Bank.

He is a Non-Executive Director of Aquis Entertainment Limited and the Chairman of Onyx Property Group.

Prior to joining ANZ, he held senior executive roles with HSBC including Managing Director Asia Pacific - Transport, Construction and Infrastructure and State Manager Queensland, HSBC Bank Australia.

GREG RUDDOCK BCOM (UWA)

Non-Executive Director since 26 March 2015, Chairman to 26 March 2015

Mr Greg Ruddock is the Joint Chief Executive Officer of Ironbridge and co-leads investment and portfolio management activities. He has 13 years of private equity experience with Gresham Private Equity and Ironbridge.

Prior to joining Ironbridge, he spent seven years with Wesfarmers in mergers and acquisitions, five years with Kalamazoo Limited in various senior roles, and four years as a Director of Gresham Private Equity.

He has represented the Ironbridge Funds on the boards of Stardex, Super Amart, BBQs Galore, Easternwell, ISGM and AOS.

IRWIN ("DOC") KLOTZ

Chief Executive Officer and Managing Director since 27 March 2014

Mr Doc Klotz has over 25 years' experience in senior executive roles in the financial services and travel industries in Australia, New Zealand and the United States.

Prior to joining Eclipx in 2014, he was Head of Operations at FlexiGroup, an ASX 200 company (ASX: FXL). He has senior executive experience with Travel Services International, Hotels.com and Expedia, Inc. in the United States.

2. Information on Directors (continued)

GARRY McLENNAN BBUS (UTS), FCPA, FAICD

Deputy Chief Executive Officer and Chief Financial Officer since 27 March 2014

Mr Garry McLennan has over 35 years' of experience in financial services including five years as Chief Financial Officer at FlexiGroup, an ASX 200 company (ASX: FXL).

Prior to his time at FlexiGroup, he spent 23 years at HSBC Bank Australia where he was Chief Financial Officer and subsequently Chief Operating Officer. He has previously served on the board of HSBC Bank Australia and The Australian Banking Industry Ombudsman Ltd.

He currently serves on the Board Audit Committee of Intersect, a full-service eResearch support agency.

3. Directors' shareholdings

The table below sets out each Director's relevant interest in shares or options in shares of the Company at the date of this report:

Director	Number ordinary shares	Number of loan shares	Number of options
Kerry Roxburgh	133,695	-	200,000
Gail Pemberton	79,347	-	200,000
Trevor Allen	69,347	-	200,000
Russell Shields	69,347	-	200,000
Gregory Ruddock	500,000	-	200,000
Doc Klotz	25,000	3,777,954	-
Garry McLennan	43,478	3,777,954	-

Loan shares relates to shares that have been issued to Directors under the 2014 Long Term Incentive (LTI) plan. The shares are used to provide security for the non-recourse loans made to the Executive Directors to acquire shares. The loans bear no interest and the loan may only be settled with proceeds from the sale of shares. Dividends declared and paid are received by the shareholder and is not used to reduce the loan. The options were purchased by the Non-Executive Directors at the Company's Initial Public Offering (IPO). The options were purchased at $0.24 per option; each option is exercisable over one share with an exercise price of $2.65. The options were immediately vested and exercisable at IPO. The options have an expiry date of 21 April 2020.

4. Company Secretary

Mr Matt Sinnamon was appointed Company Secretary and Group General Council on 27 October 2014. He is admitted to the Supreme Court of New South Wales and the High Court of Australia. He is a member of the Governance Institute of Australia and a Chartered Secretary and is entered on the Roll of Public Notaries.

The Company Secretary function is responsible for ensuring the Company complies with its statutory duties and maintains proper documentation, registers and records. The role provides advice to the Directors and officers about corporate governance and legal matters.

Mr Spencer Chipperfield was the Company Secretary prior to the appointment of Mr Matt Sinnamon. He resigned as Company Secretary on 27 October 2014.

5. Directors' Meetings

The table below sets out the numbers of meetings held during the 2015 financial year and the number of meetings attended by each Director. During the year, 14 Board meetings, two Audit and Risk Committee meetings and one Remuneration and Nomination Committee meeting was held.

5. Directors' Meetings (continued)

	Board		Audit and Risk Committee		Remuneration and Nomination Committee	
Director	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Kerry Roxburgh	8	8	2	2	1	1
Gail Pemberton	8	7	-	-	1	1
Trevor Allen	8	8	2	2	1	1
Russell Shields	8	7	2	2	-	-
Gregory Ruddock	14	13	2	2	-	-
Doc Klotz	14	14	-	-	-	-
Garry McLennan	14	14	-	-	-	-
Tom Woolley	6	6	-	-	-	-
Nick Johnson	6	5	-	-	-	-
Holger Michaelis	6	6	-	-	-	-

6. Review of operations

Initial Public Offering

Eclipx Group Limited (formerly Fleet Aust Pty Limited) listed on the Australian Securities Exchange on 22 April 2015 trading with the ticker code ECX.

The Initial Public Offering (IPO) comprised an offer to issue 45.3 million new shares by the Company, and the sale of 64.8 million existing shares at an offer price of $2.30 per share. A significant portion of funds raised through the IPO were utilised to repay promissory notes held by Sing Glow (an investment holding company managed by GIC Special Investments Private Limited that was a pre-IPO substantial shareholder of the Company). Ironbridge Funds, which is a substantial shareholder of the Company, had agreed for their promissory notes ($84.3m net of withholding tax), to be endorsed to the Company in consideration for the issue of 36.7 million shares in the Company at the offer price. The repayment and conversion of promissory notes decreased current liabilities through a reduction in advances from related parties by $162.2m.

Principal activities

Eclipx is a diversified financial services organisation that supplies, finances and manages vehicles on behalf of corporate customers and consumers in Australia and corporate and SME customers in New Zealand. As at 30 September 2015, Eclipx managed or financed over 80,000 vehicles across Australia and New Zealand under four primary brand names: FleetPartners; FleetPlus; CarLoans.com.au and Fleet Choice.

Business model

Eclipx generates revenue in different ways across its four brands that can broadly be split into two business models:

- Eclipx funded model (used primarily by FleetPartners) is where Eclipx purchases vehicles to lease to customers and earns a spread, or net interest income, being the difference between the interest income it receives from customers and its cost of funds. Eclipx recognises net interest income over the life of the lease; and
- Third party funded model (used primarily by FleetPlus, CarLoans.com.au and Fleet Choice) is where Eclipx acts as a broker or agent that arranges vehicle financing for the customer from third party banks and financial institutions. Under this model, as compensation for originating new business, Eclipx earns most of its revenue from upfront brokerage commissions paid by the third party funders.

In addition to net interest income and upfront brokerage commission, Eclipx earns management and maintenance fees, ancillary revenue from related products and services and end of lease income.

Eclipx believes Net Operating Income is a key measure of financial and operating performance for its businesses because it takes into account the direct costs incurred in generating gross revenue.

The origination of leases and loans is a key driver of profitability and the Group targets growth through business-to-business relationships and online business-to-consumer. The Group drives profitability by managing interest margins, credit quality and operating expenses.

6. Review of operations (continued)

The six core capabilities of Eclipx are:

Vehicle, fleet and asset management	Eclipx supports its core vehicle fleet leasing activities by offering customers a broad range of vehicle management services, including initial vehicle procurement, ongoing maintenance, supply management and contract amendments during and at the end of a lease. Eclipx also enhances the value of its products and quality of service to customers by leveraging economies of scale and relationships with third party suppliers.
Credit risk assessment and management	Eclipx draws on 27 years of operating experience, a wealth of proprietary data (including customer credit performance, arrears management, loss rates, and recovery rates), and external credit reporting data from local credit bureaus, to assess the credit risk of customers. The proprietary data and experience assist Eclipx in pricing transactions and estimating the quantum of potential credit losses. Eclipx's credit risk assessment team operates independently from the sales teams with established processes to ensure formal credit policies are followed. Technology and credit scorecards are used to enable prompt credit decision making and control the consistency of assessment.
Treasury and access to funding	Eclipx needs access to funding in order to purchase vehicles that it leases to its customers. Eclipx utilises facilities called warehouse facilities (which in turn may be refinanced through the issuance of asset backed securities), corporate debt and cash. In the broker funding model, Eclipx arranges funding for customers from third party banks and other funders (under principal and agency or introducer arrangements).
Residual value risk management	When Eclipx originates operating leases with third party funding it agrees to purchase the vehicle from the funder at the end of the lease at an agreed value (known as the residual value). Eclipx typically sells the vehicle at the end of the lease and seeks to recover net proceeds equal to or greater than the residual value. In order to manage residual value risk, Eclipx seeks to estimate accurately future used vehicle values with the assistance of a proprietary algorithm, actively monitor vehicles age and maintenance to manage in-life lease modifications and maximise end of lease sale proceeds.
Technology	Customer-focused technology solutions and innovation are critical components of Eclipx's business model. They assist Eclipx in providing a competitive and attractive proposition to customers. Technology solutions are focused both on delivering value or services to customers (e.g. through faster processing times), and on streamlining internal operations to improve efficiency and risk management. Eclipx has commenced and is intending to continue to drive efficiency improvements to make IT innovation a competitive advantage by upgrading and consolidating IT platforms, infrastructure and apps.
Sales and distribution	Eclipx seeks to create a customer-centric, service-driven, culture, supported by aligned commission and incentive structures for staff, and a multi-channel and multi-brand sales and customer acquisition strategy.

6. Review of operations (continued)

Group financial performance

The table below shows the key financial performance metrics for the 2015 financial year of the Group and its segments:

	Commercial		Australia Consumer		Total		New Zealand Commercial		Total		Prospectus
	2015 $'m	**2014 $'m**	**2015 $'m**	**2014 $'m**	**2015 $'m**	**2014 $'m**	**2015 $'m**	**2014 $'m**	**2015 $'m**	**2014 $'m**	**2015 $'m**
Net operating income before operating expense after bad debts	110.3	72.5	25.9	8.3	136.2	80.8	34.8	-	171.0	80.8	170.6
Depreciation and amortisation of non-financial assets	(1.5)	(2.4)	(0.3)	(0.5)	(1.8)	(2.9)	(0.3)	-	(2.1)	(2.9)	(1.7)
Holding company debt interest	(4.0)	-	(0.7)	-	(4.7)	-	(2.1)	-	(6.8)	-	(6.8)
Operating expenses	(57.2)	(44.9)	(16.8)	(9.3)	(74.0)	(54.2)	(19.7)	-	(93.7)	(54.2)	(94.4)
Profit/(loss) before tax and non-recurring costs	**47.6**	**25.2**	**8.1**	**(1.5)**	**55.7**	**23.7**	**12.7**	**-**	**68.4**	**23.7**	**67.7**
Adjustments and amortisation of intangible assets	(24.4)	(32.0)	(4.3)	(6.7)	(28.7)	(38.7)	(1.8)	-	(30.5)	(38.7)	(22.1)
Tax	(6.6)	2.3	(1.1)	0.5	(7.7)	2.8	(2.7)	-	(10.4)	2.8	(13.6)
Statutory net profit/(loss) after tax	**16.6**	**(4.5)**	**2.7**	**(7.7)**	**19.3**	**(12.2)**	**8.2**	**-**	**27.5**	**(12.2)**	**32.0**
Material one-off adjustments not reflecting ongoing (post tax)	14.3	21.2	2.5	4.5	16.8	25.7	0.9	-	17.7	25.7	12.5
Intangibles amortisation (post tax)	2.8	1.2	0.5	0.2	3.3	1.4	0.1	-	3.4	1.4	2.5
Cash net profit/(loss) after tax	**33.7**	**17.9**	**5.7**	**(3.0)**	**39.4**	**14.9**	**9.2**	-	**48.6**	**14.9**	**47.0**

Prospectus relates to the Eclipx financial information disclosed in the Eclipx Group Limited IPO Prospectus.
Cash net profit after tax (Cash NPAT) reflects net profit after tax adjusted for the after tax effect of the amortisation of intangible assets and material one-off adjustments or costs that do not reflect the ongoing operations of the business. The material one-off adjustments for 2015 relate to costs that existed in the business prior to the IPO which no longer exist in the business and costs associated with the IPO.

Net operating income before operating expenses after bad debts

Net operating income before operating expenses after bad debts is $0.4m favourable to the prospectus amount and $90.2m favourable to the net operating income before operating expense after bad debts for 2014. Eclipx reported new business writings of $840.8m; this resulted in a favourable variance to the prospectus forecast of $773.0m. The additional new business writings have offset the margin pressure that the Group has experienced with the writing of new business.

End of lease income of $27.8m is in line with the prospectus end of lease income of $27.8m.

Fleet impairment of $1.9m was marginally favourable to the prospectus amount of $2.0m. The credit impairment charge of $1.6m is favourable to the prospectus amount by $1.1m. The credit impairment charge is favourable as a result of the high credit quality of customers that are financed by the Group. The Group has seen pressure on interest margin as it has increased its exposure to customers with a higher credit rating.

6. Review of operations (continued)

Operating expenses

Operating expenses is favourable to the prospectus amount and the growth from 2014 to 2015 is as a result of the new businesses that have been acquired and included in the results of the Group.

Eclipx has executed on the restructuring plans in line with the provision held as at the 30 September 2014. There has been a consolidation of offices in New Zealand and Australia, with a total of six offices being impacted.

Eclipx is unfavourable to the prospectus on technology costs and depreciation; this is linked to the investments that are being made for the future of the organisation and the achieving of cost efficiencies.

Adjustments and amortisation of intangible assets

The Group incurred costs that are not reflective of the Group net profit relating to the ongoing operations of the business. The adjustments for 2015 relate to costs that have been incurred as a result of the IPO, business acquisitions and costs that the business incurred under the previous debt and equity structure that was in place prior to the listing on 22 April 2015. The table below shows the value of adjustments for 2015 and 2014 and as disclosed in the prospectus:

Cost description	2015 Actual $'m	2015 Prospectus $'m	2014 Actual $'m
Transaction and restructuring costs	14.7	7.9	1.6
Contingent consideration	(1.4)	(1.4)	-
Capital structure	12.5	12.1	19.2
Amortisation of intangibles	4.7	3.5	2.0
Fleet impairment	-	-	3.4
Loans and receivables impairment	-	-	2.4
Write-off of intangibles	-	-	6.1
Restructuring costs	-	-	4.0
	30.5	**22.1**	**38.7**

Transaction and restructuring costs are $6.8m unfavourable to the prospectus amount. The variance is predominantly as a result of the higher than forecast costs associated with the acquisition of CarLoans and FleetPartners New Zealand ($1.4m) and additional costs associated with the IPO ($5.4m).

Capital structure relates to adjustments made to the 2015 statutory results to remove the costs the Group incurred pre IPO as a result of the historical capital structure and funding of the Group, which is not reflective of the capital structure of the Group going forward. This includes costs associated with promissory notes paid to related parties, payments of interest on the convertible redeemable preference shares and funding costs associated with the bridging finance on the acquisition of FleetPlus.

Statutory net profit/(loss) after tax

The statutory profit after tax for 2015 increased to $27.5m, this represents a growth of $39.7m against the prior period. The statutory profit after tax reflects an unfavourable variance of $4.5 million to the prospectus amount. The predominant factors attributed to this variance are:

- higher than forecast amortisation of intangible assets, as a result of higher than forecasted investment in intangible assets;
- the value of non-recurring costs associated with the IPO and acquisitions of CarLoans and FleetPartners New Zealand and an increase in costs associated with the IPO; and
- positive variance in net operating income and operating expenses.

Eclipx Group Limited
Directors' Report
30 September 2015
(continued)

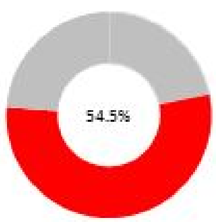
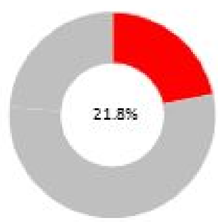
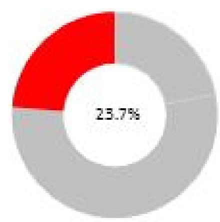
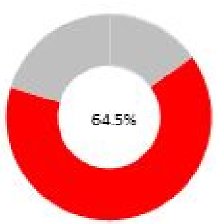
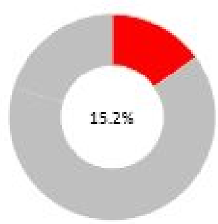
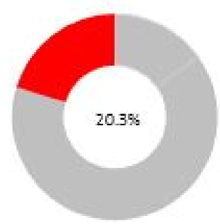
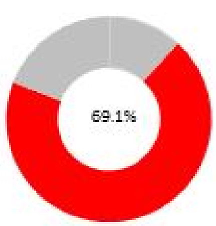
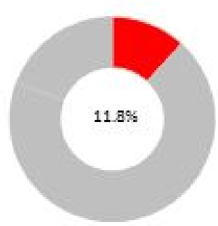
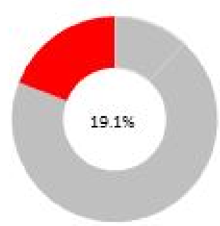
6. Review of operations (continued)

Cash net profit after tax

Eclipx exceeded the prospectus guidance on Cash NPAT by $1.6m or 3%. The favourable variance is a result of higher net operating income and lower operating expenses when compared to the prospectus amount.

Segment results

In the accompanying financial report and consistent with prior periods, Eclipx has identified and disclosed the results of three operating segments:

	Australia Commercial	Australia Consumer	New Zealand Commercial
Description	• Vehicle fleet leasing and management business in Australia. • Commercial equipment finance and leasing.	• Online broker facilitating consumer financing for vehicles in Australia. • Consumer novated leasing business in Australia.	• Vehicle fleet leasing and management business in New Zealand. • Used vehicle retail sales.
Brands	• FleetPartners • FleetPlus • Eclipx Commercial Finance	• FleetPartners • FleetPlus • FleetChoice • CarLoans	• FleetPartners • FleetPlus • AutoSelect
Vehicles under management or financed (VUMOF)			
Number of vehicles	43,713	17,464	19,044
Net operating income after bad debts before operating expenses			
$ million	$110.3m	$25.9m	$34.8m
Contribution to Cash NPAT			
$ million	$33.7m	$5.7m	$9.2m

6. Review of operations (continued)

Australia Commercial

The Australia Commercial segment contributed 69.1% of the Cash NPAT of the Group. The segment has seen growth in new business writings which have exceeded the prospectus forecast by $70.0m (19.6%). The segment has reported a net operating income after bad debts before operating expenses of $110.3m which is $1.5m favourable to the prospectus amount.

Strong focus on the customer, building on customer relationships and competitive pricing have allowed the business to experience higher than planned new business writings.

2015 has seen the launch of technology initiatives that will assist in lowering costs of servicing customers and facilitate ease of use in fleet management for our customers.

In August 2014, the Group launched Eclipx Commercial which has allowed the Group to expand the product offering on financing to include non-vehicle assets; this has provided opportunities of cross selling finance and introducing new customers to the Group.

Australia Consumer

The Australia Consumer segment contributed $5.7m to the Cash NPAT for the Group. The net operating income after bad debts before operating expense of $25.9m is favourable to the prospectus plan of $25.6m. The Group has delivered on the following key items for the 2015 year:

- Carmonitor.com.au, an online booking portal for car servicing was launched;
- the Eclipx consumer warehouse for novated funding commenced in 2015, this has provided additional funding to the group as the warehouse requires 2% cash support from Eclipx;
- CarLoans.com.au extended operating hours to 9pm on weekdays and commenced weekend operations to improve consumer experience and to increase the lead penetration;
- Eclipx acquired online car review content website performancedrive.com.au and the YouTube channel Performance Drive TV;
- launch of CarInsurance.com.au will allow Eclipx to offer car insurance products direct to its consumer base and to cross sell to its existing customer base requiring insurance products; and
- the product offering and warehouse funding have expanded to include the financing of consumer loans through the digital channel of CarLoans.com.au.

New Zealand Commercial

New Zealand as a segment has experienced challenges and has reported an unfavourable variance of $0.5m to the prospectus net operating income after bad debts before operating expenses of $35.3m. The new business writings for New Zealand exceeded the plan by $12.0m. The segment experienced margin pressure as the market has seen pressure in interest rate margins and contraction in fees chargeable on leases. New Zealand has entered into strategic relationships so as to provide co-branded operating lease products to new vehicle sales outlets; this will allow the business to expand into outlets and offer an additional channel for the sale of the operating leases in New Zealand.

AutoSelect, the retail sales channel, continues to outperform the wholesale disposal options.

The FleetPartners and FleetPlus businesses in New Zealand have been successfully co-located into premises in Auckland.

7. Financial position

The Group financial position as at 30 September 2015 is summarised below:

Summary of financial position	2015 Actual $'m	2014 Actual $'m	2014 Proforma $'m
Cash and cash equivalents	58.1	43.0	41.3
Restricted cash and cash equivalents	106.4	65.7	100.8
Receivables and inventory	83.3	56.0	77.3
Leases	1,153.9	727.7	1,027.2
Intangibles	504.8	360.8	498.3
Other	22.9	14.1	26.7
Total assets	**1,929.4**	**1,267.3**	**1,771.6**
Borrowings	1,231.2	869.3	1,126.1
Payables	96.4	91.4	89.2
Other	49.7	118.8	39.3
Total liabilities	**1,377.3**	**1,079.5**	**1,254.6**

Proforma relates to the Eclipx financial information disclosed in the Eclipx Group Limited IPO Prospectus.

Leases

Leases have increased against the proforma amount as at 30 September 2014 by $126.7m. This increase is attributable to the increased business writings that have been experienced across the entire Group. The increased business writings and increased income generating assets have created a base for profit in the coming years as the business derives annuity income on these assets over the remaining contractual term. The lower bad debt provisions and portfolio impairments are an indication of the quality of assets included in these numbers. The provision for impairment held against operating leases for 2015 is $10.1m (2014 proforma: $15.1m).

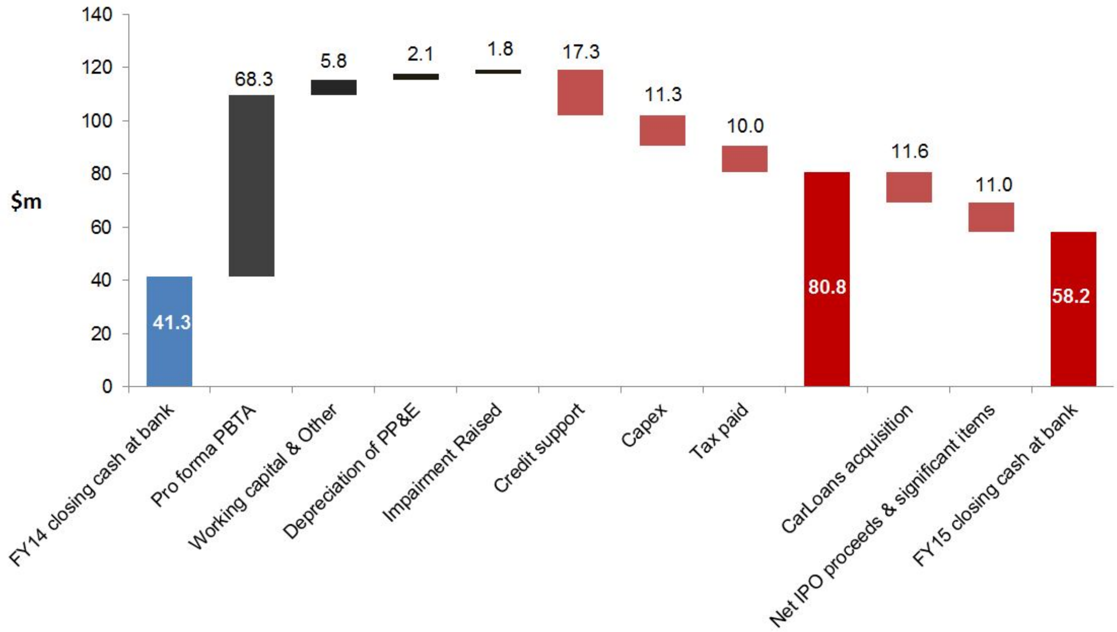
Borrowings

Borrowings for 2015 include an amount of $100.0m relating to corporate debt. The remaining amount of $1,131.2m relates to funding directly associated with leases and inventory. The value of borrowings has increased in line with the increase in the growth of leases.

7. Financial position (continued)

Cash flows

The graph below shows the net movement of cash for the 12 months.



The FY14 closing cash at bank has been restated to reflect the non-restricted cash balances as reported in the prospectus.
Pro forma PBTA reflects the profit before taxation, non-recurring costs and amortisation of intangibles.
Working capital and other relates to the movement in working capital and other adjustments for non-cash items.
Credit support is the cash out flow to support the growth in lease receivables and to provide seed funding for the new warehouses.

The graph indicates that Eclipx generated cash of $39.5m from operations and utilised $22.6m of cash on significant non-recurring items. This has resulted in a net unrestricted cash inflow of $16.9m for the 12 months.

Funding

Eclipx looks to optimise the funding facilities that it has in place. Eclipx maintains committed funding facilities to cater for the forecasted business growth and as at 30 September 2015, Eclipx had undrawn corporate debt facilities of $50m with a maturity date in 2018.

For leasing finance facilities where Eclipx acts as the funder, funding will be provided by a combination of warehouse and asset backed securitisation funding structures. Funders (major trading banks and institutional investors) provide financing to a special purpose vehicle established by Eclipx which is used to fund the purchase of assets that are to be leased to customers. These facilities are also known as revolving warehouse facilities because they can be drawn and repaid on an ongoing basis up to an agreed limit subject to conditions. A group of assets funded via a warehouse facility can be pooled together and refinanced by issuing securities (backed by those assets) to investors in public wholesale capital markets (such as domestic and international banks and institutional funds).

During the 2015 financial year Eclipx:

- implemented a new corporate debt facility of $150m, with a maturity of three years;
- rolled over all warehouse facilities;
- completed an asset backed securitisation issuance in Australia;
- issued $73m of seller notes where the cash was used to settle a portion of the previous corporate debt facility; and
- established additional warehouse facilities for the financing of novated leases and commercial equipment finance assets.

8. Business strategies, prospects and risk for future financial years

Eclipx is focussed on improving business performance through a focus on building customer relationships, enhancement and development of technology and growth via the consumer segment and acquisitions.

Strategic objective	Prospects	Risk management
Transform Eclipx into an online fleet management and customer solutions business.	Expand and improve market offering for fleet leasing and management by focusing on technology-driven, value-added services centred on customer engagement and feedback.	Eclipx monitors the Net Promoter Score (NPS) and actively addresses customer feedback. Eclipx has seen an increase in the NPS over the last six months of 26%.
	Identify and target new market segments.	In the last year Eclipx has identified and entered into the following markets: - sale and leasebacks; - equipment finance; and - consumer offering of insurance and value added products.
	Optimise vehicle remarketing process by utilising its own vehicle disposal channels.	Eclipx will dispose of fleet vehicles to retail customers through AutoSelect and the CarLoans.com.au website.
	Improve the value proposition for customers and grow the market share profitably.	Eclipx has strong customer relationships and takes a proactive approach in listening to its customers so as to identify solutions for its existing customers and future customers.
Grow CarLoans businesses and expand into other adjacent consumer markets.	Build up the CarLoans business by: - increasing brand awareness through targeted marketing initiatives; - expanding within New Zealand; and - increasing online leads and lead conversions through more effective search engine optimisation and search engine marketing strategies.	Eclipx has a group marketing function that has extensive experience in the successful marketing of online financial services. Online leads and lead conversions are analysed by experts in the field and this information is reported and managed by management.
	Increase the novated lease book size by: - increasing the take up of existing novated lease customers; and - cross sell the novated lease product to existing corporate customers who don’t offer Eclipx novated leases to their staff.	The marketing and sales teams are structured so as to ensure that staff have the resources, skills and expertise to cross sell products to customers. Cross selling of services are KPI targets for sales staff.
	Expand the consumer product offering beyond current CarLoans product offering by: - cross selling of insurance and related products; - offering competitive monthly instalments to the consumer; and - providing finance to novated customers at the end of original lease period through CarLoans.	In 2015, Eclipx launched new businesses and entered into agreements to facilitate the sale of insurance products to the consumer segment. In 2015, Eclipx added warehouse funding as an alternative to broker funding for consumer motor vehicle finance. Eclipx offers Carloans to novated funding customers at the end of their lease.

8. Business strategies, prospects and risk for future financial years (continued)

Strategic objective	Prospects	Risk management
Leverage Eclipx's capabilities and commercial customer relationships to organically grow commercial equipment finance business.	Cross sell equipment finance to Eclipx's corporate customer base and new customers. Leverage existing credit, funding and support functions for Eclipx Commercial Finance.	Eclipx Commercial Finance has a designated team that has extensive experience in the commercial finance segment. The business exceeded new business targets for the 2015 year.
Leverage management's expertise and experience in acquisitions, integration and monetisation to participate in further industry consolidation where appropriate	Integrate FleetPlus and CarLoans so as to deliver on planned revenue and operational synergies.	A central procurement function has been established that has oversight of key supplier and procurement contracts. Eclipx has restructured and consolidated FleetPlus, CarLoans, FleetChoice and FleetPartners into shared premises and technology infrastructure. Projects to consolidate the lease and accounting systems have commenced.
	Continue to assess acquisition opportunities and to ensure acquisitions deliver the required return.	Eclipx undertakes rigorous analysis of potential opportunities to ensure they will deliver profitable growth and be a strategic fit. Acquisition opportunities are reviewed to ensure Eclipx will remain within its financing covenants.
Reduce cost-to-income ratio	Integrate business acquisitions so as to achieve operational efficiency and synergy targets.	Eclipx has established corporate functions that will support the integration of the various acquisitions. The establishment of the corporate function will enable Eclipx to leverage expertise more broadly and to capitalise on growth opportunities.

9. Key Risks

The key risks facing Eclipx are those risks that will have an impact on the financial performance and the execution of the strategy.

Key Risk	Mitigating Factors
Eclipx may inaccurately set and forecast vehicle residual values and there may be unexpected falls in used vehicle prices.	• Eclipx performs a monthly portfolio revaluation using market information on all assets where Eclipx is at risk on the residual value and any impairment identified is immediately recognised. • Residual values are reviewed regularly by the pricing and risk team and adjusted based on market information and actual performance.
Eclipx may be exposed to increased funding costs due to changes in market conditions.	• Eclipx has a diversified funding structure which includes multiple funding parties. • Funding margins are negotiated and agreed on an annual basis. • Eclipx will have the ability to charge any margin increase onto new business that is written in the year.
Eclipx is exposed to credit risk.	• Eclipx has a dedicated credit team that assesses risk drawing on 27 years of operating experience, a wealth of proprietary data (including customer credit performance, arrears management, loss rates, and recovery rates), and external credit reporting data from local credit bureaus.
Eclipx may be affected by changes in fringe benefits tax legislation in Australia.	• The consumer segment accounts for 11.8% of the Group Cash NPAT and the segment includes revenue from non-novated products. • Eclipx has diversified the consumer segment to include non-novated services so as to provide alternate product offerings to consumers.
Eclipx may be unable to access funding on competitive terms	• Eclipx has a diversified funding structure which includes multiple funding parties. • Funding facilities are negotiated and agreed on an annual basis. • Eclipx mitigates the interest rate risk by hedging the portfolio and funding is provided based on the contractual maturity of the lease.

10. Outlook

For the 2015 financial year, Eclipx has been able to exceed the targets set in terms of its financial performance, growth of assets under management or financed and growth in the customer base.

For the 2016 financial year, Eclipx is forecasting to achieve growth in Cash NPAT and this will be achieved by:

- growing the volume of new business writings in all segments;
- managing the competitive prices pressures experienced in the market;
- consolidation of platforms and processes;
- realising efficiencies of the Group;
- investing in technology; and
- growing the presence of Eclipx in the market.

11. Subsequent events

There have been no matters or circumstances other than those referred to in the financial statements or notes to the financial statements, that have arisen since the end of the financial year, that have significantly affected, or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

12. Changes in state of affairs

During the financial year, there was no significant change in the state of affairs of the Group other than that referred to in the financial statements or notes thereto.

13. Environmental factors

Eclipx is not subject to any significant environmental regulation under Australian Commonwealth or State law. Eclipx recognises its obligations to its stakeholders (customers, shareholders, employees and the community) to operate in a way that lowers the impact it and its customers have on the environment. During the course of the year, Eclipx worked with funders and customers to support initiatives on improving their carbon footprint. Eclipx has secured funding that will be used to finance low emission vehicles, the loans will have preferential rates and the preferential rates will be passed onto the customer.

14. Dividends

On 9 November 2015, the Directors declared a fully franked final dividend for the year ended 30 September 2015 of 6.50 cents per ordinary share, to be paid on 29 January 2016 to eligible shareholders on the register as at 31 December 2015. This equates to a total estimated final dividend of $15,613,409, based on the number of ordinary shares on issue as at 30 September 2015. The financial effect of dividends declared after the reporting date are not reflected in the 30 September 2015 financial statements and will be recognised in subsequent financial reports. The Group will offer a Dividend Reinvestment Plan (DRP) at a 1.5% discount with no participation limits.

15. Indemnification of Directors and Officers

The Directors and Officers of Eclipx are indemnified against liabilities pursuant to agreements with Eclipx. Eclipx has entered into insurance contracts with third party insurance providers, in accordance with normal commercial practices. Under the terms of the insurance contracts, the nature of the liabilities insured against and the amount of premiums paid are confidential.

16. Non-audit services

KPMG, the external auditor of Eclipx, provided non-audit services during the 2015 financial year. The role of the external auditor is to provide an independent opinion that the financial reports are true and fair and that they comply with applicable regulations. The Audit and Risk Committee implemented processes and procedures to review the independence of the external auditor and to ensure that they may only provide services that are consistent with their role of external auditor.

On review of the services provided by KPMG for the 2015 financial year, the Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 in view of the nature and amount of the services provided, and that all non-audit services were subject to the corporate governance procedures adopted by the Company.

The fees paid or payable for non-audit services provided by KPMG were as follows:

	2015	**2014**
Non-audit services	**$**	**$**
Transactional services including IPO	1,560,878	-
Tax advice	226,939	-
Other	-	45,000
	1,787,817	45,000

Transactional services including IPO cost for 2015 relate to the IPO and is not expected to be incurred in future years.

A copy of the auditor's independence declaration is set out on page 19 on this financial report, and forms part of the Directors Report.

17. 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 the "rounding off" of amounts in the Directors' Report and the Financial Report. Amounts, unless otherwise stated, have been rounded off to the nearest whole number of thousands of dollars.

18. Shares under options

Unissued ordinary shares of Eclipx Group Limited under options at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
21 April 2015	21 April 2020	264.50 cents	1,000,000

There were no ordinary shares of Eclipx Group Limited issued on the exercise of options during the 2015 financial year and up to the date of this report.

This Directors' Report is signed on behalf of the Directors in accordance with the resolution of Directors made pursuant to section 298(2) of the Corporations Act 2001.

Kerry Roxburgh
Chairman

Doc Klotz
Chief Executive Officer

Sydney
9 November 2015

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

To: the directors of Eclipx Group Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 September 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.

KPMG

KPMG

Andrew Dickinson
Partner

Sydney

9 November 2015

Letter from Remuneration and Nomination Committee (unaudited)

Dear Shareholders

On behalf of the Board, I am pleased to present Eclipx Group Limited's (Group) 2015 remuneration report (Report).

The Group has experienced significant growth in the past 12 months and was listed on the Australian Securities Exchange on 22 April 2015 (IPO). The Board is confident the remuneration arrangements outlined in this Report support the growth strategy of the newly listed entity.

In relation to the 2015 financial year, the Group achieved all short-term incentive (STI) targets and payments to Key Management Personnel (KMP) reflect this level of performance. No long term incentive (LTI) Awards vested in the 2015 financial year, as this was the first year of operation of the new LTI plan. Further detail on the STI and LTI outcomes for the 2015 financial year are set out in section 3 of the Report.

In the 2016 financial year, we will continue to refine our executive remuneration arrangements, including reviewing key executive employment contracts and the structure of the LTI plan to ensure it remains aligned with our growth strategy. Once this review is complete, LTI Awards (subject to three-year performance hurdles) will be made to all KMP. No other major changes to executive remuneration arrangements are planned at this time.

I look forward to the opportunity to discuss the Report with shareholders at the Group's Annual General Meeting in February 2016.

Yours faithfully

Gail Pemberton
Chair of the Remuneration and Nomination Committee

Remuneration Report (audited)

The Directors are pleased to present Eclipx Group Limited's remuneration report (Report) for the financial year ended 30 September 2015 (FY2015). The Report sets out remuneration information for the Group's KMP, including Non-Executive Directors, Executive Directors and Senior Executives of the Group.

The Report outlines the remuneration arrangements in accordance with the requirements of the Corporations Act 2001, as amended (Act) and its regulations. This information has been audited as required by section 308(3C) of the Act and is presented under the following sections:

1) Introduction
2) Remuneration governance and structure
3) Remuneration policy and framework
4) Remuneration disclosures
5) Service agreements
6) Equity instruments held by KMP
7) Loans to KMP
8) Other transactions with KMP

1) Introduction

The remuneration report details the remuneration arrangements for KMP. In line with the Act, KMP are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly including any Director (whether Executive or otherwise) of the parent. For the purposes of this Report, the term "Executive" includes both Executive Directors and Senior Executives that are KMP of the Group.

The table below outlines the KMP of the Group during FY2015. Unless otherwise indicated, the individuals were KMP for the entire financial year.

Non-Executive Directors	Role	Movement during FY2015
Kerry Roxburgh	Independent Chairman	Appointed 26 March 2015
Gregory Ruddock	Non-Executive Director	
Gail Pemberton	Independent Non-Executive Director	Appointed 26 March 2015
Trevor Allen	Independent Non-Executive Director	Appointed 26 March 2015
Russell Shields	Independent Non-Executive Director	Appointed 26 March 2015
Tom Woolley	Non-Executive Director	Resigned 16 December 2014
Nick Johnson	Non-Executive Director	Resigned 26 March 2015
Holger Michaelis	Non-Executive Director	Resigned 26 March 2015

Executive Directors	Role	Movement during FY2015
Doc Klotz	Chief Executive Officer and Managing Director	
Garry McLennan	Deputy Chief Executive Officer and Chief Financial Officer	

Senior Executive	Role	Movement during FY2015
Jeff McLean	Chief Operating Officer	

2) Remuneration governance and structure

The Group established a Remuneration and Nomination Committee on 26 March 2015. The main functions of the Remuneration and Nomination Committee are to assist with establishing effective Board composition, size, diversity, expertise and commitment, so as to adequately discharge its responsibilities and duties.

The Remuneration and Nomination Committee also assist the Board to discharge its responsibilities to shareholders and other stakeholders to seek to ensure that the Group:

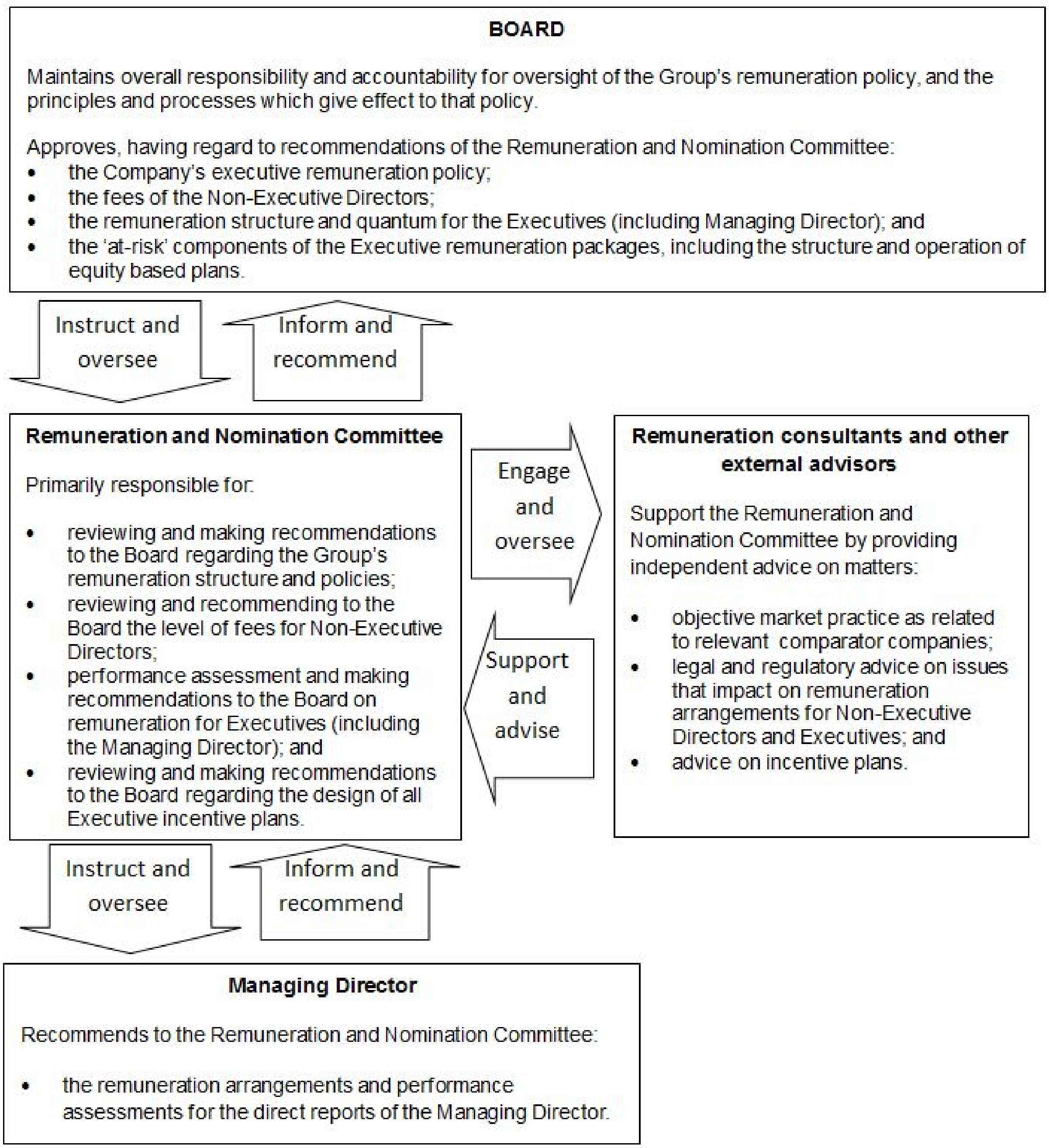
- has coherent remuneration policies and practices, including those concerning succession planning which enable the Group to attract and retain Non-Executive Directors and Executives;
- fairly and responsibly remunerates Non-Executive Directors and Executives, having regard to the performance of the Group, the performance of the Non-Executive Directors and Executives;
- has policies to evaluate the performance of the Board, individual Non-Executive Directors and Executives on (at least) an annual basis; and
- has effective policies and procedures to attract, motivate and retain appropriately skilled and diverse persons to meet the business needs.

2) Remuneration governance and structure (continued)

The committee is made up of independent Non-Executive Directors as follows:

- Ms Gail Pemberton (Committee Chair);
- Mr Kerry Roxburgh; and
- Mr Trevor Allen.

The following diagram provides an overview of the responsibilities and the process the Group follows in setting remuneration for Non-Executive Directors and Executives:



Use of remuneration consultants and other external advisors

Where necessary, the Remuneration and Nomination Committee seeks advice from independent experts and advisors. Remuneration consultants provide advice on executive remuneration structure and consistency with comparable roles in the market. Other external advisors (including legal practitioners) assist with the administration of the Group's remuneration plans and ensure that the appropriate legal parameters are applied. During the reporting period, the Company engaged Ernst & Young (EY) to advise in the design and implementation of the Group's LTI plans. No remuneration recommendations (as defined by the Corporations Act 2001) were provided by EY or any other advisor during the reporting period.

3) Remuneration policy and framework

The Group's remuneration philosophy supports rewarding outperformance in areas critical to the success of Group strategy. This is achieved by attracting and retaining talented people who are motivated to achieve challenging performance targets aligned with both the business strategy and the long-term interests of shareholders. The following section illustrates the link between business strategy and remuneration outcomes:

Eclipx growth strategy

The Eclipx growth strategy is to:

- transform into an online fleet management and customer solutions business;
- grow CarLoans businesses and expand into other adjacent consumer markets over the medium term;
- leverage capabilities and commercial customer relationships to organically grow commercial equipment finance business; and
- leverage management's expertise and experience in acquisitions, integration and monetisation to participate in further industry consolidation where appropriate.

Executive remuneration strategy

Create sustainable shareholder value by:

- ensuring a significant 'at-risk' component of total remuneration;
- assessing performance and STI outcomes against financial and non-financial KPIs linked to Eclipx Growth Strategy; and
- aligning LTI performance hurdles with shareholders' expected returns.

Attract, retain and motivate talent by:

- ensuring remuneration strategy is simple, transparent and consistent;
- rewarding superior performance;
- offering competitive total remuneration; and
- allowing significant wealth creation opportunity through LTI participation.

Link remuneration to performance by:

- requiring a significant portion of executive remuneration to vary with short term and long term performance;
- applying a profitability gateway to be achieved before any STI payment is made to Executives;
- applying challenging financial and non-financial measures to assess performance; and
- ensuring that these measures focus on strategic business objectives that create shareholder value.

The Group takes a balanced scorecard approach to measuring performance. This focuses on Customer, People, Strategy and Investor metrics as well as the following financial measures:

- Absolute earnings per share (EPS) growth;
- Relative total shareholder return (TSR); and
- Profitability (Cash NPAT).

The following table provides information on FY2014 and FY2015 performance against key metrics:

Consolidated	**FY2014**	**FY2015**
(Loss)/profit attributed to owners of Eclipx ($'000)	(12,206)	27,554
Basic EPS (cents)	(12.83)	15.43
Share price at the beginning of the year	n/a	$2.30 (1)
Share price at the end of the financial year	n/a	$3.01 (2)
Change in share price (from IPO)	n/a	30.9%

(1) Represents offer price from IPO.
(2) Closing share price at the close of business on 30 September 2015.

3) Remuneration policy and framework (continued)

Executive remuneration mix

The relative mix of the three remuneration components is determined by the Board on the recommendation of the Remuneration and Nomination Committee.

Each Executive has a remuneration mix that consists of fixed and ‘at-risk’ remuneration. ‘At-risk’ remuneration comprises a STI opportunity and LTI grant.

The percentage entitlements are assessed on an annual basis and are differentiated to recognise the responsibilities of each role. The remuneration mix that applied for FY2015 is set out in the table below:

Name	Fixed remuneration	'At-risk' remuneration	
		At target STI (1)	LTI (grant value) (1)
Doc Klotz	32%	32%	36%
Garry McLennan	30%	30%	40%
Jeff McLean	67%	33%	0% (2)

(1) Assumes all applicable hurdles and KPIs are achieved in full.
(2) As Mr McLean participated in a share ownership plan prior to listing (see section 6), he did not participate in the FY2015 LTI plan. It is anticipated he will participate in future LTI grants.

Remuneration components and outcome

(i) Fixed remuneration

What is included in fixed remuneration?	Fixed remuneration comprises of base salary, non-monetary benefits and superannuation.
How is fixed remuneration positioned?	Fixed remuneration is positioned in line with equivalent roles in companies of comparable industry and size.

(ii) Short term incentives

What is the purpose of the STI?	To motivate and reward participants for achieving specific measurable financial and non-financial results which link pay to performance and hence contribute to achievement of the strategy.
Who is eligible to participate in the STI plan?	Eligibility to participate in the STI plan is determined by the Board. All Executives participated in the STI plan in FY2015.
What form do the awards take?	Awards are paid in cash following the finalisation of performance outcomes including the year end financial statements. Participants have an at target maximum opportunity between 50% and 100% of fixed remuneration, depending on their role.
How is the STI plan linked to performance?	Awards are contingent on the achievement of KPIs within a balanced scorecard of financial and non-financial pillars which align with the Group’s strategy. KPIs are selected and approved by the Board on an annual basis.
How is performance evaluated?	Performance is formally evaluated at the end of the performance period, being 30 September each year.
Is there a minimum profit gateway?	At least 95% of the Group’s profitability target must be achieved for any awards to be paid, regardless of performance against other KPIs.
What are the FY2015 KPIs?	The FY2015 STI plan provided for equally weighted financial and non-financial KPIs. Financial KPIs included Cash net profit after tax. Non-financial KPIs included People, Customer, Strategy and Investor related metrics.
Why were these KPIs chosen?	The combination of KPIs was chosen because the Board believes that there should be a balance between short term financial measures and more strategic non-financial measures which in the medium to longer term will ultimately drive future growth and returns for shareholders.The financial KPIs were chosen to provide measureable financial performance criteria strongly linked to year-on-year shareholder returns. Non-financial KPIs were chosen to encourage the achievement of business goals consistent with the Group’s strategy.

3) Remuneration policy and framework (continued)

Remuneration components and outcome (continued)

(ii) Short term incentives (continued)

For FY2015, all KPIs have been fully achieved. The following table outlines the STI awarded to each Executive for FY2015:

Name	Maximum STI opportunity for FY2015	STI % of fixed remuneration		STI earned as % of 'at target'
		Minimum	At target	
Executive Directors				
Doc Klotz	$850,000	0%	100%	100%
Garry McLennan	$700,000	0%	100%	100%
Senior Executive				
Jeff McLean	$200,000	0%	50%	100%

(iii) Long term incentives

<table>
<tr><td>What is the purpose of the LTI plan?</td><td colspan="2">The Group established an LTI plan to assist in the motivation, retention and reward of selected employees. The LTI plan is designed to align participants' interests with the interests of Shareholders by providing participants with exposure to Eclipx Group Limited Shares.</td></tr>
<tr><td>What form does the Award take?</td><td colspan="2">For the FY2015 grant, Executives were awarded Loan Shares (Award). Loan Shares entitle participants to purchase Shares at market value, using a loan provided by the Group. Shares can be sold, subject to meeting vesting conditions, with the participant realising any growth in value (after repayment of the loan provided by the Group). Options were not granted to Executives but were granted to other employees as disclosed in note 5.1.</td></tr>
<tr><td>Who is eligible to participate in the plan?</td><td colspan="2">Eligibility to participate in the LTI plan and the number of Loan Shares offered to each participant is determined by the Board. Executives may participate in the LTI plan; however Non-Executive Directors are not eligible to participate in the LTI plan. Two Executives were granted Loan Shares in FY2015.</td></tr>
<tr><td>When was the grant made?</td><td colspan="2">22 April 2015</td></tr>
<tr><td>What happens if there is a change of control?</td><td colspan="2">In the event of a change of control of the Group, the performance period end date will generally be brought forward to the date of the change of control and Awards will vest in full. A change in control is defined as a result of any event or transaction, a new person or entity becomes entitled to more than 30% of the shares.</td></tr>
<tr><td rowspan="7">What is the performance period and what performance hurdles need to be met?</td><td colspan="2">The Award is subject to the following performance hurdles:

a) Relative Total Shareholder Return ("TSR") versus Comparator Group (50% of total grant); and
b) Absolute Earnings Per Share ("EPS") Growth (50% of total grant).

Relative TSR component:
The percentage of Awards comprising the relative TSR component that vests, if any, will be based on the Company's TSR ranking over the period commencing on Listing and ending:

• 31 March 2017 for 50% of the initial grant (Tranche 1); and
• 31 March 2018 for the remaining 50% of the initial grant (Tranche 2).</td></tr>
<tr><td>Relative TSR percentile ranking</td><td>% of relative TSR hurdled Awards that vest</td></tr>
<tr><td>Below the 51st percentile</td><td>Nil</td></tr>
<tr><td>At the 51st percentile</td><td>50%</td></tr>
<tr><td>Between the 51st and 75th percentile</td><td>Straight line pro rata vesting between 50% and 100%</td></tr>
<tr><td>At or above the 75th percentile</td><td>100%</td></tr>
<tr><td colspan="2">For FY2015 grants, the Comparator Group comprises the constituents of the ASX 200 excluding GICS Industry "Metals & Mining" companies.</td></tr>
</table>

3) Remuneration policy and framework (continued)

Remuneration components and outcome (continued)

(iii) Long term incentives (continued)

<table>
<tr><td>What is the performance period and what performance hurdles need to be met? (continued)</td><td>Absolute EPS component:

The percentage of Awards comprising the EPS component that vests, if any, will be based on the compound annual growth in cash EPS over two periods relative to FY2015 prospectus forecast cash EPS:

• Tranche 1 (50% of the Award): FY2016 cash EPS; and
• Tranche 2 (50% of the Award): FY2017 cash EPS;
<table>
<tr><td>The Group’s annual compound EPS growth rate</td><td>% of EPS hurdled Awards that vest</td></tr>
<tr><td>Below 7% compound annual growth</td><td>Nil</td></tr>
<tr><td>At 7% compound annual growth</td><td>50%</td></tr>
<tr><td>Between 7% and 10% compound annual growth</td><td>Straight line pro rata vesting between 50% and 100%</td></tr>
</table></td></tr>
<tr><td>Is retesting available for any of the performance hurdles?</td><td>Awards subject to TSR component which do not vest in the initial performance period have the opportunity to a single retest under the same performance conditions on the following anniversary.

The Board believes that retesting of the relative TSR hurdle is appropriate for the FY2015 grant, given the volatility of the Group following the IPO and in the context of the Group’s growth strategy.

Summary of tranches of LTI grants:
<table>
<tr><td>Hurdle</td><td>Testing date</td><td>% of total grant</td><td>Retest?</td></tr>
<tr><td>Absolute EPS</td><td>31 March 2017</td><td>25%</td><td>No</td></tr>
<tr><td>Relative TSR</td><td>31 March 2017</td><td>25%</td><td>Yes - one year</td></tr>
<tr><td>Absolute EPS</td><td>31 March 2018</td><td>25%</td><td>no</td></tr>
<tr><td>Relative TSR</td><td>31 March 2018</td><td>25%</td><td>Yes - one year</td></tr>
</table></td></tr>
<tr><td>What valuation methodology is used?</td><td>The valuation methodology used for each Award is shown below:
<table>
<tr><td>Vesting conditions</td><td>Valuation methodology</td></tr>
<tr><td>Relative TSR</td><td>Monte-Carlo simulation</td></tr>
<tr><td>Absolute EPS</td><td>Binomial tree</td></tr>
</table></td></tr>
<tr><td>Why were these performance hurdles chosen?</td><td>The TSR metric has been chosen because it provides a direct link between Executive reward and shareholder return (relative to the Group’s peers).Participants will not derive any value from their TSR Awards unless the Company’s performance is at least at the 51st percentile of the comparator group for the performance period.

The EPS hurdle has been chosen as it provides evidence of the Company’s growth in earnings and is linked to shareholder returns and the Company’s overall strategic objectives.</td></tr>
<tr><td>What happens if an Executive ceases employment?</td><td>Where an Executive ceases employment defined by the Group as resignation or termination for cause, any unvested LTI Awards (or vested and unexercised Awards) are forfeited, unless otherwise determined by the Board. Where an Executive ceases employment for any other reason, unvested Shares will continue “on-foot” and will be tested at the end of the original Vesting Period. Note that the Plan Rules provide the Board with discretion to determine that a different treatment should apply at the time of cessation, if applicable.</td></tr>
<tr><td>How is performance tested?</td><td>Relative TSR performance will be tested by an external provider at the end of each vesting period. Absolute EPS is tested at the end of each vesting period using the audited financial accounts.</td></tr>
<tr><td>Are dividends paid during the performance period?</td><td>Any dividends that participants are entitled to receive in relation to their loan shares during the loan repayment period must be directed towards repayment of the loan balance until the loan is fully repaid.</td></tr>
</table>

3) Remuneration policy and framework (continued)

Details of outstanding awards

The maximum value of loan shares that may vest in future years that will be recognised as share-based payments in future years is set out in the table below. The amount reported is the value of share-based payments calculated in accordance with AASB2 Share-based payment over vesting period.

KMP	Award type	Performance condition	Number of awards granted	Exercise price	Fair value per award (at grant date) $	Fair value of award (at grant date) $	Vesting date/first exercise date	Expiry date
Doc Klotz	Loan shares	TSR tranche 1	400,000	$2.30	0.57	228,000	21 April 2017	21 April 2020
		TSR tranche 2	400,000	$2.30	0.63	252,000	21 April 2018	21 April 2020
		EPS tranche 1	400,000	$2.30	0.59	236,000	21 April 2017	21 April 2020
		EPS tranche 2	400,000	$2.30	0.63	252,000	21 April 2018	21 April 2020
Garry McLennan	Loan shares	TSR tranche 1	400,000	$2.30	0.57	228,000	21 April 2017	21 April 2020
		TSR tranche 2	400,000	$2.30	0.63	252,000	21 April 2018	21 April 2020
		EPS tranche 1	400,000	$2.30	0.59	236,000	21 April 2017	21 April 2020
		EPS tranche 2	400,000	$2.30	0.63	252,000	21 April 2018	21 April 2020

The performance options relate to loans provided to management, refer to section 7 of the Report for details.

3) Remuneration policy and framework (continued)

Non-Executive Directors fees

Fees paid to Non-Executive Directors reflect the demands and responsibilities of each position. Fees are benchmarked against an appropriate group of comparator companies and determined within the approved aggregate Directors' fee pool limit of $1.4 million per annum. Non-Executive Directors do not receive variable remuneration and base fees are inclusive of mandatory superannuation contributions.

The following fee structure was applicable for FY2015:

Base fees (per annum)	
Chairman (K Roxburgh)	$250,000
Other Non-Executive Directors	$125,000

Additional fees (per annum)	
Audit and Risk Committee – Chair (T Allen)	$25,000
Audit and Risk Committee – Member (K Roxburgh, R Shields)	$12,500
Remuneration and Nomination Committee – Chair (G Pemberton)	$20,000
Remuneration and Nomination Committee – Member (K Roxburgh, T Allen)	$10,000

Non-Executive Director fees for Mr Greg Ruddock are paid to Ironbridge Capital Management Pty Ltd and not to Mr Ruddock directly.

The four independent Non-Executive Directors were offered compensation for their services and increased workload during the period leading up to the IPO. In lieu of cash payment, each of Mr Kerry Roxburgh, Ms Gail Pemberton, Mr Trevor Allen and Mr Russell Shields received a one-off offer of shares, to the value of one year's base fees. As these shares relate to past services, they are not subject to any performance conditions or additional service requirements.

In addition, each of the independent Non-Executive Directors and Mr Greg Ruddock was offered the right to purchase 200,000 options at an issue price of $0.24 per option. Each option is exercisable over one share with an exercise price of 115% of the offer price, immediately vested and exercisable, and with an expiry date of five years from the date of grant. Each Non-Executive Director subscribed for their full allocation of 200,000 options which were granted on listing.

4) Remuneration disclosures

The following tables show details of the remuneration received by the Non-Executive Directors during FY2015:

	Short term		Superannuation $	Share based payments	Total $
	Salary and fees $	Non-monetary $		Equity settled $	
Non-Executive Directors					
Kerry Roxburgh (Chairman) (1)					
FY2015	130,919	-	9,523	249,999	390,441
Russell Shields (1)					
FY2015	64,717	-	6,148	124,998	195,863
Trevor Allen (1)					
FY2015	75,307	-	7,154	124,998	207,459
Gail Pemberton (1)					
FY2015	68,247	-	6,483	124,998	199,728
Nick Johnson (2)					
FY2015	44,308	-	4,515	-	48,823

(1) Mr Roxburgh, Mr Shields, Mr Allen and Ms Pemberton started as Non-Executive Directors on 26 March 2015.
(2) Mr Johnson was a Non-Executive Director until 26 March 2015.

The above table excluding share based payments, represents the cash paid to the Non-Executive Directors during FY2015.

4) Remuneration disclosures (continued)

The following tables show details of the remuneration received and receivable by the Executives in respect of FY2015:

	Short term benefits			Long term benefits			Total $
	Salary and fees $	Non-monetary $ (1)	Cash bonus payable in respect of current year $	Non-monetary $ (2)	Superannuation $	Share based payments equity settled $	
Executive Directors							
Doc Klotz							
FY2015	834,571	89,833	850,000	3,238	18,698	176,667	1,973,007
Garry McLennan							
FY2015	642,841	83,733	700,000	2,666	18,698	176,667	1,624,605
Senior Executive							
Jeff McLean							
FY2015	382,840	(3,555) (3)	200,000	1,146	18,770	-	599,201

(1) Amount represents annual leave, car parking, medical insurance and fringe benefits tax.
(2) Amount represents long service leave.
(3) Jeff McLean: non-monetary amount represents annual leave taken in excess of accrual as at year end.

The following tables show details of the remuneration based on cash paid during FY2015:

	Short term benefits		Long term benefits	Total $
	Salary and fees $	Cash bonus paid in current year $	Superannuation $	
Executive Directors				
Doc Klotz				
FY2015	830,724	850,000	19,276	1,700,000
Garry McLennan				
FY2015	638,596	600,000	19,276	1,257,872
Senior Executive				
Jeff McLean				
FY2015	379,834	100,000	18,553	498,387

5) Service agreements

The Group's Executives are employed under ongoing common law contracts. The table below outlines the employment and termination terms for each Executive.

Service agreement	Employing Entity	Notice period	Serious misconduct	Termination entitlement	Restraint of Trade
Managing Director and Chief Executive Officer	Fleet Holdings (Australia) Pty Ltd	Six months	Immediate termination	When termination is initiated by the Company, up to six month's fixed remuneration may be paid in lieu of notice. Payments are capped at 12 months' remuneration per relevant legislative requirements	12 months following expiry of notice period
Deputy Chief Executive Officer and Chief Financial Officer					
Chief Operating Officer	FleetPartners Pty Ltd				Six months following expiry of notice period

6) Equity instruments held by KMP

This table shows details of share and option holdings of KMP:

	Held at 1 October 2014		Received as remuneration	Purchased as part of IPO		Held as at 30 September 2015	
	Shares	Options	Shares	Shares	Options (3)	Shares	Options
Non-Executive Directors							
Kerry Roxburgh (Chairman)	-	-	108,695	25,000	200,000	133,695	200,000
Russell Shields	-	-	54,347	15,000	200,000	69,347	200,000
Trevor Allen	-	-	54,347	15,000	200,000	69,347	200,000
Gail Pemberton	-	-	54,347	25,000	200,000	79,347	200,000
Greg Ruddock	-	-	-	500,000	200,000	500,000	200,000
Executive Directors							
Doc Klotz	3,777,954 (1)	-	-	25,000	-	3,802,954	-
Garry McLennan	3,777,954 (1)	-	-	43,478 (4)	-	3,821,432	-
Executives							
Jeff McLean	1,460,809 (2)	-	-	217,391	-	1,678,200	-

(1) Shares are held in escrow until the date that Eclipx's full year results for FY2015 are provided to Australian Securities Exchange for release to market. Shares are also subject to Company's Securities Trading Policy.
(2) Shares are held in escrow until two years after listing. Shares are also subject to Company's Securities Trading Policy.
(3) Options were purchased at IPO. Refer to section 4 of the Report for details.
(4) Shares were purchased by a close family member of the Executive.

7) Loans to KMP

Loan shares issued under the Group's LTI plans are funded by the Group. Recourse under the loans is limited to the shares and proceeds of any sale of the shares. The loan is interest free and must be repaid by the expiry date.

Mr Klotz, Mr McLennan, Mr McLean were offered loan shares under the share ownership plan prior to the IPO, that are not subject to vesting conditions. Details of these loans are as follows:

KMP	Opening loan balance $	Closing loan balance $	Number of vested loan shares not yet exercised	Exercise price	Loan expiry date
Doc Klotz	5,854,967	5,854,967	3,777,954	$2.30	September 2021
Garry McLennan	5,854,967	5,854,967	3,777,954	$2.30	September 2021
Jeff McLean	2,375,667	2,375,667	1,460,809	$2.30	September 2019

Mr Klotz and Mr McLennan were granted loan shares under the FY2015 LTI plan for which loans are still outstanding and subject to vesting conditions. Details of these loans are as follows:

KMP	Grant date	Loan balance due to loan shares granted in current year $	Closing loan balance $	Number of unvested loan shares relating to loan	Exercise price	Loan expiry date
Doc Klotz	22 April 2015	3,680,000	3,680,000	1,600,000	$2.30	April 2020
Garry McLennan	22 April 2015	3,680,000	3,680,000	1,600,000	$2.30	April 2020

8) Other transactions with KMP

Transactions with other related parties are made on normal commercial terms and conditions. Refer to Note 6.3 related party for more information.

Eclipx Group Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 September 2015

	Notes	Consolidated 2015 $'000	2014 $'000
Revenue from continuing operations	2.2	**479,568**	285,678
Cost of revenue	2.2	**(240,538)**	(160,128)
Lease finance costs	2.3	**(66,417)**	(45,628)
Net operating income before operating expenses and impairment charges		**172,613**	79,922
Impairment losses on loans and receivables		**(1,616)**	(3,744)
Employee benefit expense		**(65,978)**	(37,838)
Depreciation, amortisation and impairment expense	2.3	**(6,799)**	(9,444)
Operating overheads	2.3	**(41,545)**	(24,707)
Total overheads		**(114,322)**	(71,989)
Operating finance costs	2.3	**(18,686)**	(19,169)
Profit/(loss) before income tax		**37,989**	(14,980)
Income tax (expense)/benefit	2.6(i)	**(10,435)**	2,774
Profit/(loss) for the year		**27,554**	(12,206)
Other comprehensive income			
Item that may be reclassified to profit or loss			
Changes in the fair value of cash flow hedges		**(6,590)**	3,050
Exchange differences on translation of foreign operations		**(277)**	(48)
Other comprehensive income for the year, net of tax		**(6,867)**	3,002
Total comprehensive income/(loss) for the year		**20,687**	(9,204)
Profit/(loss) is attributable to:			
Owners of Eclipx Group Limited		**27,554**	(12,206)
Total comprehensive income/(loss) for the year attributable to:			
Owners of Eclipx Group Limited		**20,687**	(9,204)
		Cents	**Cents**
Earnings per share			
Basic earnings per share	2.4	**15.43**	(12.83)
Diluted earnings per share	2.4	**15.36**	(12.83)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Eclipx Group Limited
Statement of Financial Position
As at 30 September 2015

	Notes	Consolidated 2015 $'000	2014 $'000
ASSETS			
Current assets			
Cash and cash equivalents	4.3	**58,162**	42,999
Restricted cash and cash equivalents	4.3	**106,403**	65,732
Trade and other receivables	3.3	**62,254**	44,116
Finance leases	3.2	**79,695**	61,733
Inventory - Motor vehicles		**20,972**	11,970
Operating leases reported as property, plant and equipment	3.1	**219,799**	168,646
Total current assets		**547,285**	395,196
Non-current assets			
Property, plant and equipment	3.1	**9,965**	6,647
Operating leases reported as property, plant and equipment	3.1	**700,012**	409,736
Deferred tax assets	2.6(ii)	**12,958**	7,227
Intangibles	3.5	**504,784**	360,790
Finance leases	3.2	**154,379**	87,673
Total non-current assets		**1,382,098**	872,073
Total assets		**1,929,383**	1,267,269
LIABILITIES			
Current liabilities			
Trade and other liabilities	3.4	**93,562**	90,031
Borrowings	4.1	**296,082**	383,081
Derivative financial instruments	4.4	**9,468**	9,903
Provisions		**4,080**	6,279
Other		**385**	-
Total current liabilities		**403,577**	489,294
Non-current liabilities			
Trade and other liabilities		**2,859**	1,416
Borrowings	4.1	**935,079**	486,210
Provisions		**1,564**	1,312
Payables - Advances from related parties	6.3(i)	**-**	101,251
Deferred tax liabilities	2.6(ii)	**23,693**	-
Derivative financial instruments	4.4	**9,367**	-
Other		**1,122**	-
Total non-current liabilities		**973,684**	590,189
Total liabilities		**1,377,261**	1,079,483
Net assets		**552,122**	187,786
EQUITY			
Contributed equity	4.5	**375,005**	84,366
Reserves	6.1	**(8,776)**	(2,325)
Retained earnings		**185,893**	105,745
Total equity		**552,122**	187,786

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Eclipx Group Limited
Statement of Changes in Equity
For the year ended 30 September 2015

		Attributable to owners of Eclipx Group Limited			
Consolidated	**Notes**	**Contributed equity $'000**	**Reserves $'000**	**Retained earnings $'000**	**Total equity $'000**
Balance at 1 October 2013		83,440	(6,544)	117,951	**194,847**
Loss for the year		-	-	(12,206)	**(12,206)**
Other comprehensive income		-	3,050	-	**3,050**
Foreign currency translation		-	(48)	-	**(48)**
Total comprehensive income/(loss) for the year		-	3,002	(12,206)	**(9,204)**
Transactions with owners in their capacity as owners:					
Issued treasury shares		926	(1,084)	-	**(158)**
Employee share schemes	5.1	-	2,301	-	**2,301**
Balance at 30 September 2014		**84,366**	**(2,325)**	**105,745**	**187,786**
Balance at 1 October 2014		84,366	(2,325)	105,745	**187,786**
Profit for the year		-	-	27,554	**27,554**
Other comprehensive income		-	(6,590)	-	**(6,590)**
Foreign currency translation		-	(277)	-	**(277)**
Total comprehensive (loss)/income for the year		-	(6,867)	27,554	**20,687**
Acquired as part of business combinations	2.5	-	-	51,909	**51,909**
Issue of new shares for acquisition of Fleet NZ Limited	2.5	63,301	-	-	**63,301**
Transactions with owners in their capacity as owners:					
Issue of shares for settlement of CRPS		43,000	-	-	**43,000**
Issue of shares for promissory notes		84,301	-	-	**84,301**
Issue of shares on Initial Public Offering		104,389	-	-	**104,389**
Transaction costs, net of tax		(4,352)	-	-	**(4,352)**
Employee share schemes	5.1	-	816	-	**816**
Movement in treasury reserve		-	730	-	**730**
Transfer from treasury reserve to retained earnings		-	(1,130)	1,130	**-**
Distribution of trust capital and applied capital		-	-	(445)	**(445)**
Balance at 30 September 2015		**375,005**	**(8,776)**	**185,893**	**552,122**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Eclipx Group Limited
Statement of Cash Flows
For the year ended 30 September 2015

	Notes	Consolidated 2015 $'000	2014 $'000
Cash flows from operations			
Receipts from customers		**630,658**	395,058
Payments to suppliers and employees		**(366,404)**	(187,334)
		264,254	207,724
Income tax paid		**(9,954)**	(9,500)
Interest received		**3,817**	3,173
Interest paid		**(66,599)**	(46,031)
Net cash inflow from operating activities	6.6	**191,518**	155,366
Cash flows from investing activities			
Purchase of items reported under operating leases	3.1	**(420,553)**	(178,518)
Purchase of property, plant and equipment and intangibles	3.1	**(11,274)**	(2,328)
Payment for acquisition of business	2.5	**(11,622)**	(110,093)
Acquired as part of acquisition of Fleet NZ Limited		**38,226**	-
Settlement of deferred consideration		**(9,000)**	-
Proceeds from sales of items reported under operating leases		**164,072**	92,070
Net cash outflow from investing activities		**(250,151)**	(198,869)
Cash flows from financing activities			
Proceeds from borrowings		**653,179**	338,518
Repayments of borrowings		**(562,750)**	(321,018)
Proceeds from issuing of shares		**97,701**	926
Loans from related parties		**-**	10,186
Distribution of trust capital and applied capital		**(446)**	-
Settlement of promissory notes		**(73,422)**	-
Net cash inflow from financing activities		**114,262**	28,612
Net increase/(decrease) in cash and cash equivalents		**55,629**	(14,891)
Cash and cash equivalents at the beginning of the financial year, net of overdraft		**108,731**	123,622
Exchange rate variations on New Zealand cash and cash equivalent balances		**205**	-
Cash and cash equivalents at end of the year, net of overdraft	4.3	**164,565**	108,731

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1.0 INTRODUCTION TO THE REPORT

Statement of compliance

These general purpose financial statements of the consolidated results of Eclipx Group Limited (ACN 131 557 901) have been prepared in accordance with the Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The financial report was authorised for issue by the Board of Directors on 9 November 2015.

Basis of preparation

These financial statements have been prepared under the historical cost convention, except for the financial assets and liabilities (including derivative instruments) at fair value through profit or loss and certain classes of property, plant and equipment.

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 the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Critical accounting estimates and assumptions

The preparation of 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.

Accounting estimates and judgements	Note	Page
Impairment of goodwill	3.5	54
Income taxes	2.6	46
Residual value and fair value adjustment	3.1	51

Significant accounting policies

The significant accounting policies adopted in the preparation of the financial report are set out below. Other significant accounting policies are contained in the notes to the financial report to which they relate to. The financial statements are for the Group consisting of Eclipx Group Limited (Company) and its controlled entities.

(i) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all controlled entities of Eclipx Group Limited as at 30 September 2015 and the results of all controlled entities for the year ended. Eclipx Group Limited and its controlled entities together are referred to in this financial report as the Group or the consolidated entity.

The Company controls an entity if it is exposed, or has rights, to variable returns from its involvement with the controlled entity and has the ability to affect those returns through its power over the controlled entity. All controlled entities have a reporting date of 30 September.

Profit or loss and other comprehensive income of controlled entities acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. In preparing the financial report, all intercompany balances, transactions and unrealised profits arising within the consolidated entity are eliminated in full.

(ii) Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in Australian dollars (AUD), which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from remeasurement of monetary items at year end exchange rates are recognised in profit or loss.

1.0 INTRODUCTION TO THE REPORT (continued)

Significant accounting policies (continued)

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the AUD are translated into AUD upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into AUD at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into AUD at the closing rate. Income and expenses have been translated into AUD at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal.

New and revised standards and interpretations adopted by the Group

The Group has adopted, for the first time, certain standards that made changes to a number of existing Australian Accounting Standards and they have not had any material effect on the Group's financial position or performance. These standards have been set out below.

AASB 2012-3: Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
AASB 2013-3: Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
AASB 2013-4: Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting
AASB 2013-9: Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments (December 2013) - Part B - Materiality
AASB 2014-1: Amendments to Australian Accounting Standards - Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles.
AASB 2014-1: Amendments to Australian Accounting Standards - Part C: Materiality

New and revised standards and interpretations not yet adopted by the Group

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 annual reporting period ended 30 September 2015 and are set out below. The impact of these new or revised Accounting Standards and Interpretations has not yet been determined.

Reference	Description	Application of Standard	Application by Group
AASB 9 Financial Instruments	AASB 9 Financial Instruments contains changes to the definitions, classifications, measurements and presentation of financial instruments including a new expected credit loss model for calculating impairment.	1 January 2018	1 October 2018
AASB 15 Revenue from Contracts with Customers	AASB 15 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers; and replaces AASB 111 Construction Contracts, AASB 118 Revenue, Interpretation 13 Customer Loyalty Programmes, Interpretation 15 Agreements for Construction of Real Estate, Interpretation 18 Transfer of Assets from Customers and Interpretation 131 Revenue-Barter Transactions involving Advertising Services.The core principle is that an entity recognises 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.	1 January 2017	1 October 2017

2.0 BUSINESS RESULT FOR THE YEAR

This section provides the information that is most relevant to understanding the financial performance of the Group during the financial year and, where relevant, the accounting policies applied and the critical judgements and estimates made.

2.1 Segment information
2.2 Revenue
2.3 Expenses
2.4 Earnings per share
2.5 Business combinations
2.6 Taxation

2.1 Segment information

Identification of reportable segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker in order to effectively allocate Group resources and assess performance.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors to make strategic decisions (who were the Chief Operating Decision Maker, until the appointment of the current board on 26 March 2015). From 26 March 2015, the Chief Operating Decision Makers are the Chief Executive Officer and the Deputy Chief Executive Officer.

Three reportable segments have been identified: Australia Commercial, Australia Consumer and New Zealand Commercial. The segments are based on the class of customer to which services are provided. Services in all segments include the provision of lease finance and fleet management to customers. The New Zealand Commercial segment was identified as a reportable segment during the period following the acquisition of Fleet NZ Limited and its subsidiaries on 1 October 2014 by the Group.

In addition to statutory profit after tax, the business is assessed on a Cash Net Profit After Tax (NPAT) basis. Cash NPAT is defined as statutory profit after tax, adjusted for the after tax effect of material one-off items that does not reflect the ongoing operations of the Group and amortisation of acquired intangible assets. Each of these operating segments is managed separately as each of these service lines requires different resources as well as marketing approaches.

2015

	Australia Commercial $'000	Australia Consumer $'000	Australia Total $'000	New Zealand Commercial $'000	Total $'000
Net operating income before operating expenses and impairment charges	**112,191**	**25,914**	**138,105**	**34,508**	**172,613**
Depreciation and amortisation of non-financial assets	(1,514)	(267)	(1,781)	(274)	**(2,055)**
Bad and doubtful debts	(1,884)	-	(1,884)	268	**(1,616)**
Operating expenses	(57,207)	(16,759)	(73,966)	(19,708)	**(93,674)**
Profit before tax and non-recurring costs	**51,586**	**8,888**	**60,474**	**14,794**	**75,268**
Holding company debt interest	(3,942)	(742)	(4,684)	(2,116)	**(6,800)**
Adjustments*	(24,392)	(4,305)	(28,697)	(1,782)	**(30,479)**
Tax	(6,612)	(1,152)	(7,764)	(2,671)	**(10,435)**
Statutory net profit after tax	**16,640**	**2,689**	**19,329**	**8,225**	**27,554**
IPO and acquisition costs and capital proforma adjustments including tax impact	14,288	2,521	16,809	900	**17,709**
Intangibles amortisation including tax impact	2,779	490	3,269	53	**3,322**
Cash net profit after tax	**33,707**	**5,700**	**39,407**	**9,178**	**48,585**

* Adjustments relate to IPO and acquisition costs, amortisation of intangibles and interest expense relating to the previous capital and debt structure prior to IPO.

2.0 BUSINESS RESULT FOR THE YEAR (continued)

2.1 Segment information (continued)

2014

	Australia Commercial $'000	Australia Consumer $'000	Australia Total $'000	New Zealand Commercial $'000	Total $'000
Net operating income before operating expenses and impairment charges	74,304	8,299	82,603	-	**82,603**
Depreciation and amortisation of non-financial assets	(2,388)	(498)	(2,886)	-	**(2,886)**
Bad and doubtful debts	(1,781)	-	(1,781)	-	**(1,781)**
Operating expenses	(44,945)	(9,264)	(54,209)	-	**(54,209)**
Profit/(loss) before tax and non-recurring costs	**25,190**	**(1,463)**	**23,727**	**-**	**23,727**
Adjustments*	(32,057)	(6,650)	(38,707)	-	**(38,707)**
Tax	2,296	478	2,774	-	**2,774**
Statutory net loss after tax	**(4,571)**	**(7,635)**	**(12,206)**	**-**	**(12,206)**
Proforma adjustments including tax impact	21,275	4,456	25,731	-	**25,731**
Intangibles amortisation including tax impact	1,165	200	1,365	-	**1,365**
Cash net profit/(loss) after tax	**17,869**	**(2,979)**	**14,890**	**-**	**14,890**

* Adjustments relate to significant non-recurring costs and interest expenses relating to the capital and debt structure not reflective of the future Group.

2.2 Revenue

Recognition and measurement

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Finance income

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.

Operating lease rentals

Rental revenue arising from operating lease contracts is brought to account in the period it is earned. The operating lease rentals are recognised on a straight line basis over the lease term. The instalments are classified and presented in finance income and operating lease rentals.

Maintenance and management income

Maintenance income is recognised over the life of the contract with reference to the stage of completion. Management income and management fees are recognised on a straight line basis over the term of the contract.

Brokerage, commissions and advice services income

Income is recognised when the relevant services have been provided and a reliable estimate of the income can be made.

End of lease income

End of lease income includes profits on the sale of vehicles from terminated lease contracts and other revenue generated at the end of a lease.

2.0 BUSINESS RESULT FOR THE YEAR (continued)

2.2 Revenue (continued)

Cost of revenue

Cost of revenue comprises the cost associated with providing the service components of the lease instalments. Cost of revenue is recognised for each reporting period by reference to the stage of completion when the outcome of the services contracts can be estimated reliably. The stage of completion of services contracts is based on the proportion that costs incurred to date bear to total estimated costs.

	Consolidated	
	2015 $'000	2014 $'000
From continuing operations:		
Finance income	**103,520**	74,927
Maintenance and management income	**97,525**	49,477
Related products and services income	**22,628**	14,924
Operating lease rentals	**202,467**	139,636
Brokerage income	**19,546**	-
Sundry income	**6,065**	3,879
End of lease income	**27,817**	2,835
Total revenue from continuing operations	**479,568**	285,678
Cost of revenue:		
Maintenance and management expense	**43,645**	18,907
Related products and services expense	**4,172**	4,827
Impairment on operating leased assets	**1,851**	4,865
Depreciation on operating leased assets	**190,870**	131,529
Total cost of revenue	**240,538**	160,128

2.3 Expenses

Recognition and measurement

Depreciation

Depreciation on assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

- Motor vehicles 2-10 years;
- Furniture and fittings 3-10 years; and
- Plant and equipment 3-10 years.

Interest expense

Interest expense is recognised in the statement of comprehensive income using the effective interest method.

Amortisation

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line basis over periods generally ranging from three to five years for non-core costs, and seven to 10 years for core system software costs.

2.0 BUSINESS RESULT FOR THE YEAR (continued)

2.3 Expenses (continued)

	Consolidated 2015 $'000	2014 $'000
Profit/(loss) before income tax includes the following specific expenses:		
Depreciation and amortisation		
Plant and equipment - fixture and fittings	**2,055**	1,436
Amortisation - Intangible assets	**3,203**	500
Software	**1,541**	1,450
Total depreciation and amortisation	**6,799**	3,386
Impairment		
Software	**-**	6,058
Total impairment	**-**	6,058
Total depreciation, amortisation and impairment expense	**6,799**	9,444
Lease finance costs		
Interest and finance charges - Third parties	**66,599**	46,006
Hedge (gains) / losses	**(182)**	(403)
Borrowing costs	**-**	25
Total lease finance costs	**66,417**	45,628
Operating finance costs		
Interest expense promissory notes - Related parties	**8,421**	10,001
Interest expense convertible redeemable preference shares	**1,253**	-
Facility finance costs	**9,012**	9,168
Total operating finance costs	**18,686**	19,169
Operating overheads		
Rental of premises	**6,308**	3,202
Technology costs	**8,830**	5,131
Restructuring costs	**-**	3,985
IPO costs	**13,376**	-
Other overheads	**13,031**	12,389
Total operating overheads	**41,545**	24,707

2.4 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit /(loss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of fully paid ordinary shares outstanding during the financial year and excluding treasury shares.

	Consolidated 2015 Cents	2014 Cents
From continuing operations attributable to the ordinary equity holders of the company	**15.43**	(12.83)
Total basic earnings per share attributable to the ordinary equity holders of the company	**15.43**	(12.83)

2.0 BUSINESS RESULT FOR THE YEAR (continued)

2.4 Earnings per share (continued)

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 additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	Consolidated	
	2015 Cents	**2014 Cents**
From continuing operations attributable to the ordinary equity holders of the company	**15.36**	(12.83)
Total diluted earnings per share attributable to the ordinary equity holders of the company	**15.36**	(12.83)

Reconciliation of earnings used in calculating earnings per share

	Consolidated	
	2015 $'000	**2014 $'000**
Basic earnings per share		
Profit/(loss) attributable to the ordinary equity holders of the company used in calculating basic earnings per share:	**27,554**	(12,206)
From continuing operations	**27,554**	(12,206)
Diluted earnings per share		
Profit/(loss) attributable to the ordinary equity holders of the company used in calculating diluted earnings per share	**27,554**	(12,206)
From continuing operations	**27,554**	(12,206)

Weighted average number of shares used as the denominator

	Consolidated	
	2015 Number	**2014 Number**
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**178,573,004**	95,131,986
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	**179,412,444**	95,131,986

2.5 Business combinations

Recognition and measurement

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a controlled entity comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the controlled entity. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interests in the acquiree either at fair value or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets.

2.0 BUSINESS RESULT FOR THE YEAR (continued)

2.5 Business combinations (continued)

The excess of the consideration transferred and the amount of any non-controlling interests in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the controlled entity acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Summary of acquisition - CarLoans

On 16 October 2014, the Group concluded the 100% acquisition of the CarLoans Group (CarLoans) that consisted of the following entities: CarLoans.com.au Pty Limited, Fleet Choice Pty Limited, CarLoans.co.nz Limited and CLFC Media Holdings Pty Limited. CarLoans' principal activities include the provision of vehicle financing and leasing, salary packaging and fleet management services. CarLoans was acquired to support the business' growth strategy in vehicle financing in the Australian and New Zealand markets.

Goodwill of $30,218,000 is primarily related to growth expectations, expected future profitability, the substantial skill and expertise of CarLoans' workforce and expected cost synergies. The goodwill that arose from this business combination is not expected to be deductible for tax purposes.

CarLoans recorded a profit before tax of $561,000 for the period from 16 October 2014 to reporting date. If CarLoans had been acquired on 1 October 2014, revenue of the Group for the year would have increased by $482,000, and profit before tax for the year would have decreased by $115,000.

	2015 $'000
Purchase consideration	
Cash paid	11,668
Deferred consideration	6,000
Cumulative convertible redeemable preference shares issued	12,000
	29,668
Acquisition-related costs are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss and other comprehensive income, as part of other expenses.	1,572

	Carrying value $'000	**Fair value $'000**
The carrying amounts and fair values of the assets and liabilities acquired were:		
Cash and cash equivalents	46	46
Tax liabilities	(9)	(9)
Trade and other liabilities	(3,136)	(3,136)
Trade and other receivables	2,415	2,415
Trade and other liabilities - operating lease	(40)	(40)
Onerous contract	(472)	(472)
Property, plant and equipment	206	-
Shareholder loans	(224)	-
Intangible asset - Brand name	-	703
Deferred tax liability	-	(57)
Total identifiable assets and liabilities	**(1,214)**	**(550)**
Goodwill on acquisition		30,218
Total		**29,668**

2.0 BUSINESS RESULT FOR THE YEAR (continued)

2.5 Business combinations (continued)

	2015 $'000
Purchase consideration - cash outflow	
Cash consideration	(11,668)
Less: Balances acquired	46
Outflow of cash - Investing activities	(11,622)

Summary of acquisition - NZ Group

On 1 October 2014, a Group restructure was undertaken whereby Fleet NZ Limited and its controlled entities (NZ Group), a related party of the Group incorporated in New Zealand and controlled by the same consortium of investors was acquired. The NZ Group was acquired for a consideration of $63,301,000 satisfied by the issuance of shares in the Company. As the transaction occurred under common control, the Group had the ability to record acquired assets at book value at acquisition. The difference between the book value of net assets acquired and purchase consideration has been recorded in retained earnings.

The operating results and assets and liabilities of the NZ Group have been consolidated from 1 October 2014.

The assets and liabilities of the NZ Group in Australian Dollars was recognised using the carrying value as at the date of acquisition. The carrying value of the assets and liabilities of the NZ Group at 1 October 2014 were as follows:

	2015 $'000
Acquisition-related costs are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss and other comprehensive income, as part of other expenses.	100

	Carrying value $'000
Cash and cash equivalents	38,226
Trade and other receivables	16,129
Finance leases	11,821
Derivative financial instruments	246
Inventory	8,532
Property, plant and equipment	1,022
Deferred tax assets	7,574
Intangibles	106,377
Operating leases reported as property, plant and equipment	287,260
Trade and other liabilities	(65,238)
Borrowings	(272,365)
Provisions	(2,423)
Deferred tax liabilities	(21,951)
Total identifiable assets and liabilities	115,210
Amount recognised in retained earnings	(51,909)
Purchase consideration	**63,301**
Inflow of cash to acquire business, net of cash acquired	
Cash consideration	-
Less: Balances acquired	38,226
Inflow of cash - Investing activities	38,226

2.0 BUSINESS RESULT FOR THE YEAR (continued)

2.5 Business combinations (continued)

Summary of acquisition - FleetPlus Limited

On 1 August 2014, the Group concluded the 100% acquisition of FleetPlus Holdings Pty Limited (FleetPlus). FleetPlus' principal activities include the provision of vehicle leasing, salary packaging and fleet management services in Australia and New Zealand. The business was acquired to support the businesses growth strategy in the Australian and New Zealand markets.

Goodwill of $173,854,000 is primarily related to growth expectations, expected future profitability, the substantial skill and expertise of FleetPlus' workforce and expected cost synergies. The goodwill that arose from this business combination is not expected to be deductible for tax purposes.

FleetPlus recorded a profit before tax of $4.4 million for the two months from 1 August 2014 to 30 September 2014. If FleetPlus had been acquired on 1 October 2013, revenue of the Group for 2014 would have increased by $62.5 million, and profit before tax for the year would have increased by $20.2 million.

	2014 $'000
Purchase consideration	
Cash paid	124,900
Loan provided	57,090
Cumulative convertible redeemable preference shares issued	25,000
	206,990
Acquisition-related costs are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss and other comprehensive income, as part of other expenses.	1,555

	Consolidated	
	Carrying Value $'000	Fair Value $'000
The carrying amounts and fair values of the asset and liabilities acquired were:		
Cash and cash equivalents	15,167	15,167
Trade and other receivables	19,196	19,196
Inventory	1,603	1,603
Property, plant and equipment under operating leases	19,115	19,115
Property, plant and equipment	696	696
Finance leases	183	183
Intangible assets - Customer relationships	-	29,342
Intangible assets - Brand name	-	2,478
Trade and other liabilities	(30,272)	(30,270)
Borrowings	(14,845)	(14,845)
Provisions	(3,278)	(3,278)
Current tax liabilities	(2,945)	(2,945)
Deferred tax assets	5,279	5,279
Deferred tax liabilities	(8,585)	(8,585)
Total identifiable assets and liabilities	**1,314**	**33,136**
Goodwill on acquisition		173,854
Total		**206,990**

	2014 $'000
Purchase consideration - cash outflow	
Cash consideration	(124,900)
Less: Balances acquired	15,167
Outflow of cash - Investing activities	(109,733)

2.0 BUSINESS RESULT FOR THE YEAR (continued)

2.6 Taxation

Recognition and measurement

Current tax

Current tax assets and liabilities are measured at the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is accounted for in respect of temporary differences arising from differences between the carrying amount of assets and liabilities and the corresponding tax base.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and tax offsets, to the extent that it is probable that sufficient future taxable profits will be available to utilise them.

However, deferred tax assets and liabilities are not recognised for:

- taxable temporary differences that arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss
- temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future; and
- taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates and tax laws that are expected to apply the year when the asset is utilised or liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised directly in equity and not in the statement of profit or loss and other comprehensive income.

Offsetting deferred tax balances

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Tax consolidation legislation

Eclipx Group Limited and its wholly owned Australian controlled entities are part of a tax-consolidated group under Australian taxation law. Eclipx Group Limited is the head entity in the tax-consolidated group. Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. Under the terms of the tax funding arrangement, Eclipx Group Limited and each of the entities in the tax-consolidated group have agreed to pay (or receive) a tax equivalent payment to (or from) the head entity, based on the current tax liability or current tax asset of the entity.

2.0 BUSINESS RESULT FOR THE YEAR (continued)

2.6 Taxation (continued)

(i) Reconciliation of income tax expense

	Consolidated 2015 $'000	Consolidated 2014 $'000
Profit/(loss) from continuing operations before income tax expense	**37,989**	(14,980)
Prima facie tax rate of 30.0% (2014 - 30.0%)	**11,397**	(4,494)
New Zealand tax rate differentials	**(237)**	-
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Share based payments not deductible	**315**	676
Deferred consideration	**(381)**	-
Finance income on convertible notes	**(489)**	-
Write-off remaining RV uplift	**-**	838
Inventory tax adjustment	**-**	(7)
Other	**(170)**	213
Income tax expense	**10,435**	(2,774)

	2015 $'000	2014 $'000
Income tax expense comprises of:		
Current tax	**10,238**	7,112
Deferred tax	**513**	(10,477)
Adjustments for current tax of prior periods	**(316)**	591
Income tax expense	**10,435**	(2,774)

2.0 BUSINESS RESULT FOR THE YEAR (continued)

2.6 Taxation (continued)

(ii) **movement of deferred tax**

2015	Opening balance $'000	Charged to profit or loss $'000	Charged to other comprehensive income and equity $'000	Reclassification to current tax payable $'000	Acquired through business combination $'000	Closing balance $'000	Deferred tax asset $'000	Deferred tax liability $'000
Doubtful debt provision	1,890	(1,426)	-	-	311	775	775	-
Deferred revenue	835	(696)	-	-	-	139	139	-
Hedging assets and liabilities	2,971	(317)	2,893	-	-	5,547	5,547	-
Accruals, employee provisions and other	17,043	3,069	1,865	-	7,264	29,241	29,241	-
Leasing adjustments	(3,146)	(5,561)	-	(7,831)	(21,165)	(37,703)	-	(37,703)
Acquisition cost	(3,718)	3,718	-	-	-	-	-	-
Intangible assets	(8,648)	700	-	-	(786)	(8,734)	-	(8,734)
	7,227	(513)	4,758	(7,831)	(14,376)	(10,735)	35,702	(46,437)
Set off DTL against DTA							(22,744)	22,744
Net tax assets/(liabilities)						(10,735)	12,958	(23,693)

2.0 BUSINESS RESULT FOR THE YEAR (continued)

2.6 Taxation (continued)

2014	Opening balance $'000	Charged to profit or loss $'000	Charged to other comprehensive income and equity $'000	Acquired through business combination $'000	Closing balance $'000	Deferred tax asset $'000	Deferred tax liability $'000
Doubtful debt provision	1,022	861	-	7	1,890	1,890	-
Deferred revenue	1,930	(1,439)	-	344	835	835	-
Hedging assets and liabilities	4,225	53	(1,307)	-	2,971	2,971	-
Hedging adjustments	10	-	(10)	-	-	-	-
Accruals, employee provisions and other	4,864	7,251	-	4,928	17,043	17,043	-
Leasing adjustments	(6,855)	3,761	-	(52)	(3,146)	-	(3,146)
Acquisition cost	(3,718)	-	-	-	(3,718)	-	(3,718)
Intangible assets	(115)	-	-	(8,533)	(8,648)	-	(8,648)
	1,363	10,487	(1,317)	(3,306)	7,227	22,739	(15,512)
Set off DTL against DTA						(15,512)	15,512
Net tax assets/(liabilities)					7,227	7,227	-

2.0 BUSINESS RESULT FOR THE YEAR (continued)

2.6 Taxation (continued)

(iii) **Franking credits**

	Consolidated 2015 $'000	Consolidated 2014 $'000
Franked dividends (Australia)		
Franking credits available for subsequent financial years based on a tax rate of 30%	**18,907**	14,975
	18,907	14,975

Key estimate and judgement: Taxation
The Group is subject to income taxes in Australia and New Zealand. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

3.0 OPERATING ASSETS AND LIABILITIES

This section provides information relating to the operating assets and liabilities of the Group.

3.1 Property, plant and equipment

Recognition and measurement

Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss and comprehensive income during the reporting period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of profit or loss and other comprehensive income.

Leased property

Leased property is stated at cost less accumulated depreciation and impairment. Cost includes initial direct costs incurred in negotiating and arranging the operating lease contract. In the event that the settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value at the date of acquisition.

Depreciation is brought to account on leased property. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life (being the term of the related lease contract) to its estimated residual value. The assets' residual values and useful lives are revised, and adjusted if appropriate, at the end of each reporting period.

Residual values are assessed for impairment and in the event of a shortfall, an impairment charge is recognised in the current period.

Consolidated	Plant and equipment $'000	Fixture and fittings $'000	Motor vehicles and equipment $'000	Total $'000
2014				
Opening net book amount	4,196	863	592,120	597,179
Acquired as part of business combinations (note 2.5)	696	-	19,115	19,811
Additions	2,325	3	178,518	180,846
Transfers to inventory	-	-	(74,977)	(74,977)
Impairment charge	-	-	(4,865)	(4,865)
Depreciation charge	(1,297)	(139)	(131,529)	(132,965)
Closing net book amount	5,920	727	578,382	585,029
2014				
Cost	10,564	1,090	982,793	994,447
Accumulated depreciation and impairment	(4,644)	(363)	(404,411)	(409,418)
Net book amount	5,920	727	578,382	585,029

3.0 OPERATING ASSETS AND LIABILITIES (continued)

3.1 Property, plant and equipment (continued)

Consolidated	Plant and equipment $'000	Fixture and fittings $'000	Motor vehicles and equipment $'000	Total $'000
2015				
Opening net book amount	5,920	727	578,382	**585,029**
Acquired as part of business combinations (note 2.5)	915	107	287,260	**288,282**
Reclassifications	(4,213)	1,863	-	**(2,350)**
Additions	3,161	3,540	420,553	**427,254**
Transfers to inventory	-	-	(173,671)	**(173,671)**
Impairment charge	-	-	(1,851)	**(1,851)**
Depreciation charge	(1,455)	(600)	(190,870)	**(192,925)**
Foreign exchange variation	-	-	8	**8**
Closing net book amount	**4,328**	**5,637**	**919,811**	**929,776**
2015				
Cost	10,864	8,807	1,418,431	**1,438,102**
Accumulated depreciation and impairment	(6,536)	(3,170)	(498,620)	**(508,326)**
Net book amount	**4,328**	**5,637**	**919,811**	**929,776**

	Consolidated 2015 $'000	Consolidated 2014 $'000
Motor vehicle and equipment operating leases reported as property, plant and equipment		
Operating leases terminating within 12 months	**219,799**	168,646
Operating leases terminating after more than 12 months	**700,012**	409,736
	919,811	578,382
Net book amount of property, plant and equipment		
Plant and equipment	**4,328**	5,920
Fixture and fittings	**5,637**	727
	9,965	6,647
Total property, plant and equipment	**929,776**	585,029

Key estimate and judgement: Leased property
The Group reviews the value of leased property at regular intervals. Determining the residual value and any fair value adjustment on leased motor vehicles requires the use of assumptions, including the future value of motor vehicles, economic and vehicle market conditions and dynamics.

3.0 OPERATING ASSETS AND LIABILITIES (continued)

3.2 Finance leases

Recognition and measurement

Amounts due from lessees under finance leases are recorded as receivables. Finance lease receivables are initially recognised at amounts equal to the present value of the minimum lease payments receivable plus the present value of any guaranteed residual value expected to accrue at the end of the lease term. Finance lease payments are allocated between interest revenue and reduction of the lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Assets leased under finance leases are classified and presented as lease receivables.

	Consolidated	
	2015	**2014**
	$'000	**$'000**
Current		
Gross investment	**93,459**	74,481
Unearned income	**(13,764)**	(12,748)
	79,695	61,733
Non-current		
Gross investment	**173,996**	100,895
Unearned income	**(19,617)**	(13,222)
	154,379	87,673

The future minimum lease payments under non-cancellable leases are disclosed in note 4.6(c).

3.3 Trade and other receivables

Recognition and measurement

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

The amount of the impairment loss is recognised in profit or loss within impairment losses on loans and receivables. When a trade receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against impairment losses on loans and receivables in profit or loss.

Collectability of trade receivables is disclosed as part of credit risk. Refer to note 4.2.

	Consolidated	
	2015	**2014**
	$'000	**$'000**
Net trade receivables		
Trade receivables	**34,654**	31,363
Provision for doubtful debts	**(3,332)**	(6,241)
	31,322	25,122
Sundry debtors	**9,388**	7,711
Prepayments	**14,312**	10,333
Other assets	**34**	950
Current tax receivable	**7,198**	-
Total trade and other receivables	**62,254**	44,116

3.0 OPERATING ASSETS AND LIABILITIES (continued)

3.3 Trade and other receivables (continued)

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

All of the Group's trade and other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and an allowance for credit losses of $3,331,567 (2014: $6,241,417) has been recorded accordingly.

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

	Consolidated	
	2015 $'000	**2014 $'000**
At 1 October	**6,241**	3,862
Acquired as part of business combinations	**1,141**	-
Provision for doubtful debts (released)/recognised during the year	**(4,050)**	2,379
At 30 September	**3,332**	6,241

The creation and release of the provision for impaired receivables has been included in the statement of profit or loss and other comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

3.4 Trade and other liabilities

Recognition and measurement

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid.

	Consolidated	
	2015 $'000	**2014 $'000**
Trade payables	**29,449**	32,245
Lease liability	**9,088**	13,888
Accrued expenses	**13,521**	11,470
Current tax liabilities	**3,168**	2,310
Maintenance income received in advance	**10,856**	7,384
Contingent consideration (a)	**-**	6,580
Payable to related party - Fleet NZ Limited	**-**	5,028
Other payables	**27,480**	11,126
	93,562	90,031

(a) Under the terms of the sale agreement on the acquisition of Pacific Leasing Solutions Pty Ltd, a further cash component of consideration may be payable to Nikko Fleet Holdings NV of up to AUD65 million by Eclipx Group Limited and Fleet NZ Limited, based on achievement of certain performance conditions. The contingent consideration was an estimate of the probable consideration that was to be paid as at the end of the reporting period. The contingent consideration was settled at IPO and the excess of $1,402,182 was recognised this year.

3.5 Intangibles

Recognition and measurement

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired controlled entities at the date of acquisition. Goodwill on acquisitions of controlled entities are included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

3.0 OPERATING ASSETS AND LIABILITIES (continued)

3.5 Intangibles (continued)

Goodwill is allocated to a cash-generating unit (CGU) for the purpose of impairment testing. The allocation is made to those CGU's that are expected to benefit from the business combination in which the goodwill arose.

Customer relationships and brand names

Other intangible assets include customer relationships and brand names acquired as part of business combinations and recognised separately from goodwill. Customer relationships are amortised over 10 years on a straight line basis. Brand names are amortised over 20 years on a straight line basis.

Software

Software costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Group has an intention and ability to use the asset.

	Brand names $'000	Customer relationships $'000	Software $'000	Goodwill $'000	Total $'000
2014					
Opening net book amount	-	-	9,879	152,948	162,827
Acquired as part of business combination (note 2.5)	2,478	29,342	-	173,854	205,674
Additions	-	-	297	-	297
Impairment charge	-	-	(6,058)	-	(6,058)
Amortisation charge	(21)	(479)	(1,450)	-	(1,950)
Closing net book amount	2,457	28,863	2,668	326,802	360,790
2014					
Cost	2,478	29,342	11,896	326,802	370,518
Accumulated amortisation and impairment	(21)	(479)	(9,228)	-	(9,728)
Net book amount	2,457	28,863	2,668	326,802	360,790

	Brand Names $'000	Customer relationships $'000	Software $'000	Goodwill $'000	Total $'000
2015					
Opening net book amount	2,457	28,863	2,668	326,802	**360,790**
Acquired as part of business combination (note 2.5)	713	-	86	136,499	**137,298**
Reclassifications from plant and equipment	-	-	2,350	-	**2,350**
Additions	1,150	-	5,227	360	**6,737**
Amortisation charge	(188)	(3,015)	(1,541)	-	**(4,744)**
Foreign exchange variation	-	-	2	2,351	**2,353**
Closing net book amount	**4,132**	**25,848**	**8,792**	**466,012**	**504,784**
2015					
Cost	4,341	29,342	16,683	466,012	**516,378**
Accumulated amortisation and impairment	(209)	(3,494)	(7,891)	-	**(11,594)**
Net book amount	**4,132**	**25,848**	**8,792**	**466,012**	**504,784**

3.0 OPERATING ASSETS AND LIABILITIES (continued)

3.5 Intangibles (continued)

(i) Impairment of assets

Goodwill and 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 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. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGUs). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

For the purpose of annual impairment testing, goodwill is allocated to the following CGUs, which are the units expected to benefit from the synergies of the business combinations in which the goodwill arises.

	Consolidated	
	2015	**2014**
	$'000	**$'000**
Australia Commercial	**280,780**	123,888
Australia Consumer	**76,663**	29,060
New Zealand Commercial	**108,569**	-
Unallocated	**-**	173,854
Goodwill allocation at 30 September	**466,012**	326,802

Goodwill on the acquisition of FleetPlus was not allocated to CGUs at 30 September 2014 as the final assessment of the benefits to relevant CGUs was yet to be finalised.

Goodwill is reviewed on an annual basis or more frequently if events or changes in circumstances indicate a potential impairment. There is no impairment recognised in 2015 (2014: nil). The impairment test is applied consistently for all CGUs that have goodwill allocated and is based on value in use. The value in use was determined by discounting future cash flows generated from the businesses. Cash flows were projected based on a three-year forecast prepared by management for the applicable CGU, with an extrapolation of expected cash flows for the units' remaining useful lives using the growth rates determined by management.
- Long term growth rate: Australia 2.50% (2014: 2.50%)
- Long term growth rate: New Zealand 3.00% (2014: 2.50%)
- Discount rates (post tax) 11.00% (2014: 11.00%)

Growth rates are reviewed on an annual basis and adjusted based on forecasted expectations of the industry performance, historical data and risks to these expectations. Long term growth rates are based on forecast economic data from the Reserve Bank Australia and the Reserve Bank New Zealand.

The discount rate of 11.00% for 2015 takes into consideration the capital and financing structure of the business going forward and adjusted to factor in the changes to the cash flow model which considers the net cash flows and the distribution of these cash flows to equity investors. The discount rate of 11.00% for 2014 was calculated based on the targeted capital and finance structure of the business at that point in time and the model considered the distribution of cash flows to equity and note holders.

Key estimate and judgement: Impairment of assets
The Group tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions.

4.0 CAPITAL MANAGEMENT

This section provides information relating to the Group's capital structure and its exposure to financial risk, how they affect the Group's financial position and performance, and how the risks are managed. The capital structure of the Group consists of debt and equity.

4.1 Borrowings

Recognition and measurement

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

The secured borrowings may be drawn at any time and is subject to annual review. Subject to the continuance of satisfactory credit ratings, the borrowing facilities may be drawn at any time and have an average maturity of 12 months (2014: 12 months).

	Consolidated	
	2015 **$'000**	**2014** **$'000**
Current - secured		
Bank loans	**-**	159,985
Cumulative convertible redeemable preference shares	**-**	25,000
Notes payable	**298,426**	198,114
Borrowing costs	**(2,344)**	(18)
Total current borrowings	**296,082**	383,081
Non-current - secured		
Bank loans	**100,000**	-
Notes payable	**838,194**	486,210
Borrowing costs	**(3,115)**	-
Total non-current borrowings	**935,079**	486,210

Bank loans

Bank loans are secured by fixed and floating charge over the assets of the Company and all wholly owned subsidiaries. The carrying amount of assets pledged as security was $151,353,000 (2014: $105,732,000).

Notes payable

Notes payable are secured by fixed and floating charge over the motor vehicles and equipment that are leased to customers. The carrying amount of assets pledged as security was $1,260,288,000 (2014: $793,520,000).

Cumulative convertible redeemable preference shares

Cumulative convertible redeemable preference shares were issued upon the acquisition of Fleet Plus and CarLoans (refer to note 2.5). Dividends become payable after 1 January 2015. The preference shares were converted at IPO.

Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

4.0 CAPITAL MANAGEMENT (continued)

4.1 Borrowings (continued)

	Consolidated	
	2015	**2014**
	$'000	**$'000**
Loan facilities used at reporting date	**1,236,620**	844,309
Loan facilities unused at reporting date	**282,234**	117,691
Total loan facilities available	**1,518,854**	962,000

Financial covenants

The Group has complied with financial covenants of its borrowing facilities during the 2015 and 2014 reporting periods.

4.2 Financial risk management

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit or loss information has been included where relevant to add further context.

Risk management

The Group's capital management objectives are to:

- ensure the Group's ability to continue as a going concern; and
- provide an adequate return to shareholders,

by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity plus its subordinated loan, less cash and cash equivalents as presented on the face of the statement of financial position and cash flow hedges recognised in other comprehensive income.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure whilst avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. 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 debt.

	Consolidated	
	2015	**2014**
	$'000	**$'000**
Net debt	**1,066,596**	861,811
Total equity	**552,122**	187,786
Capital-to-overall financing ratio	**52%**	22%

4.0 CAPITAL MANAGEMENT (continued)

4.2 Financial risk management (continued)

Market risk

(i) **Foreign exchange risk**

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the New Zealand dollar.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations. The Group manages its exposures to the New Zealand dollar by ensuring that its assets and liabilities in New Zealand are predominantly in New Zealand dollars.

For sensitivity measurement purposes, a +/- 10% (2014:10%) sensitivity in foreign exchange rates to the Australian dollar has been selected as this is considered realistic given the current levels of exchange rates, the recent levels of volatility and market expectations for future movements in exchange rates. Based on the financial instruments held at 30 September 2015, had the Australian dollar weakened/strengthened by 10% (2014:10%) against the New Zealand dollar compared to year-end rates, with other variables held constant, the consolidated entity's after-tax profits for the year and equity would have been $836,848 (2014: $2,509,000) higher/lower, as a result of exposure to exchange rate fluctuations of foreign currency operations. All foreign exchange risk is due to the translation of the New Zealand entities on consolidation.

(ii) **Interest rate risk**

	2015		**2014**	
	Weighted average interest rate %	**Balance $'000**	**Weighted average interest rate %**	**Balance $'000**
Borrowings	**4.563%**	**1,231,160**	8.635%	869,291
Interest rate swaps (notional principal amount)	**3.108%**	**(1,174,786)**	3.716%	(676,454)
Unhedged variable debt		**56,374**		192,837

4.0 CAPITAL MANAGEMENT (continued)

4.2 Financial risk management (continued)

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the reporting date and assuming that the rate change occurs at the beginning of the financial year and is then held constant throughout the reporting period.

The selected basis points (bps) increase or decrease represents the Group's assessment of the possible change in interest rates. A positive number indicates a before-tax increase in profit and equity and a negative number indicates a before-tax decrease in profit and equity.

Sensitivities have been based on an increase in interest rates by 100 bps (2014: 100 bps) and a decrease by 100 bps (2014: 100 bps) across the yield curve.

2015		**Interest rate risk**	
	Carrying amount $'000	**-100 bps Profit/equity $'000**	**+100 bps Profit/equity $'000**
Financial assets			
Cash and cash equivalents	164,565	(1,646)	1,646
Finance leases			
- Fixed interest rate	234,074	-	-
Total (decrease)/increase	**398,639**	**(1,646)**	**1,646**
Financial liabilities			
Borrowings			
- Floating rate	1,231,160	12,312	(12,312)
Payables	96,422	-	-
Derivatives used for hedging	(18,835)	(10,024)	9,069
Total increase/(decrease)	**1,308,747**	**2,288**	**(3,243)**

2014		**Interest rate risk**	
	Carrying amount $'000	**-100 bps Profit/ Equity $'000**	**+100 bps Profit/ Equity $'000**
Financial assets			
Cash and cash equivalents	108,731	(1,087)	1,087
Finance leases			
- Fixed interest rate	149,406	-	-
Total (decrease)/increase	**258,137**	**(1,087)**	**1,087**
Financial liabilities			
Borrowings			
- Fixed interest rate	101,251	-	-
- Floating rate	869,291	8,693	(8,693)
Payables	91,447	-	-
Derivatives used for hedging	9,903	(9,036)	7,737
Total decrease	**1,071,892**	**(343)**	**(956)**

Credit risk

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

4.0 CAPITAL MANAGEMENT (continued)

4.2 Financial risk management (continued)

	Consolidated 2015 $'000	2014 $'000
Unimpaired past due loans and receivables		
Past due under 30 days	**5,165**	6,165
Unimpaired past due loans and receivables		
Past due 30 days to under 60 days	**2,004**	1,004
Past due 60 days to under 90 days	**92**	-
Past due 90 days and over	**199**	-
Total unimpaired past due loans and receivables	**7,460**	7,169
Total unimpaired loans and receivables	**31,322**	25,122
Unimpaired past due as a percentage of total unimpaired loans and receivables	**24%**	29%
Unimpaired past due 30 days and over as a percentage of total unimpaired loans and receivables	**7%**	4%

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. To mitigate against liquidity risk, the Group maintains cash reserves and committed undrawn credit facilities to meet anticipated funding requirements for new business. In addition, the Group can redraw against its committed credit limits if the principal outstanding is reduced by the contractual amortisation payments. Details of unused available loan facilities are set out in note 4.1.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Amounts due to funders are repaid directly by rental and repayments received from the Group's customers.

The table below analyses the Group's contractual financial liabilities into relevant maturity groupings. The amounts disclosed below are the contractual undiscounted cash flow. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps, the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

Contractual maturities of financial liabilities 2015	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount $'000
Non-derivatives						
Trade and other liabilities	(93,563)	(2,000)	(859)	-	(96,422)	(96,422)
Borrowings	(343,507)	(303,235)	(638,562)	(68,155)	(1,353,459)	(1,231,160)
Provisions	(4,080)	(1,564)	-	-	(5,644)	(5,644)
Total non-derivatives	**(441,150)**	**(306,799)**	**(639,421)**	**(68,155)**	**(1,455,525)**	**(1,333,226)**
Derivatives						
Interest rate swaps	(9,468)	(6,362)	(2,756)	114	(18,472)	(18,835)
Total derivatives	**(9,468)**	**(6,362)**	**(2,756)**	**114**	**(18,472)**	**(18,835)**

4.0 CAPITAL MANAGEMENT (continued)

4.2 Financial risk management (continued)

Contractual maturities of financial liabilities 2014	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount $'000
Non-derivatives						
Trade and other liabilities	(90,031)	-	-	-	**(90,031)**	(90,031)
Borrowings	(414,116)	(175,621)	(312,813)	(35,752)	**(938,302)**	(869,291)
Provisions	(6,279)	(1,312)	-	-	**(7,591)**	(7,591)
Payables - Advances from related parties	-	(101,251)	-	-	**(101,251)**	(101,251)
Total non - derivatives	**(510,426)**	**(278,184)**	**(312,813)**	**(35,752)**	**(1,137,175)**	**(1,068,164)**
Derivatives						
Interest rate swaps	(5,873)	(3,263)	(2,050)	(69)	**(11,255)**	(9,903)
Total derivatives	**(5,873)**	**(3,263)**	**(2,050)**	**(69)**	**(11,255)**	**(9,903)**

Fair value risk

This section explains the judgements and estimates made in determining the fair values of the assets and liabilities that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its assets and liabilities into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

2015	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial liabilities				
Derivatives used for hedging	**-**	**18,835**	**-**	**18,835**
Total financial liabilities	**-**	**18,835**	**-**	**18,835**

2014	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial liabilities				
Derivatives used for hedging	-	9,903	-	9,903
Total financial liabilities	**-**	**9,903**	**-**	**9,903**

There were no transfers between levels for recurring fair value measurements during the year.

A description of the level in the hierarchy is as follows:

Level 2: The fair value of assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an asset or liability are observable, these are included in level 2.

Valuation techniques used to determine fair values
The fair values of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. The fair value of interest rates swaps are included in level 2. No other assets or liabilities held by the Group are measured at fair value.

4.0 CAPITAL MANAGEMENT (continued)

4.3 Cash and cash equivalents

Recognition and measurement

For the purpose of presentation in the statement of cash flows, 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position. Restricted cash, that represents cash held by the entity as required by funding arrangements, is disclosed separately on the statement of financial position and combined for the purpose of presentation in the statement of cash flows.

	Consolidated	
	2015	**2014**
	$'000	**$'000**
Unrestricted		
Operating accounts	**58,162**	42,999
	58,162	42,999
Restricted		
Operating accounts	**28,766**	22,283
Liquidity reserve accounts	**38,860**	18,988
Vehicle servicing and maintenance reserve accounts	**38,777**	24,461
Cash at bank and on hand	**106,403**	65,732
Total as disclosed in the statement of cash flows	**164,565**	108,731

The weighted average interest rate received on cash and cash equivalents for the year was 1.61% (2014: 2.34%).

Liquidity reserve, collection, maintenance reserve, vehicle servicing, collateral and customer collection accounts represent cash held by the entity as required under the funding arrangements and are not available as free cash for the purposes of operations of the Group until such time as the obligations of each trust are settled. Term deposit accounts are also not available as free cash for the period of the deposit.

4.4 Derivative financial instruments

Recognition and measurement

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

(i) **Cash flow hedges**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expense.

Amounts accumulated in equity are recycled in the statement of profit or loss and other comprehensive income in the periods when the hedged item will affect profit or loss (for instance, when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

4.0 CAPITAL MANAGEMENT (continued)

4.4 Derivative financial instruments (continued)

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

(ii) **Derivatives that do not qualify for hedge accounting**

Where a derivative instrument does not qualify for hedge accounting or hedge accounting has not been adopted, changes in the fair value of these derivative instruments are recognised immediately in the statement of profit or loss and other comprehensive income.

(iii) **Derivatives**

Derivatives are only used for economic hedging purposes and not as trading or speculative instruments. The Group has the following derivative financial instruments:

	Consolidated	
	2015 $'000	**2014 $'000**
Current liabilities		
Interest rate swaps - cash flow hedges	**9,468**	9,903
Total current derivative financial instrument liabilities	**9,468**	9,903
Non-current liabilities		
Interest rate swaps - cash flow hedges	**9,367**	-
Total non-current derivative financial instrument liabilities	**9,367**	-
Total derivative financial instrument liabilities	**18,835**	9,903

4.5 Contributed equity

Recognition and measurement

Ordinary fully paid 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.

	2015 Shares	**2014 Shares**	**2015 $'000**	**2014 $'000**
Share capital				
Fully paid ordinary shares	**233,781,298**	95,527,903	**375,005**	84,366
Other equity securities				
Treasury shares	**6,425,000**	10,204,578	**-**	-
Total issued equity	**240,206,298**	105,732,481	**375,005**	84,366

4.0 CAPITAL MANAGEMENT (continued)

4.5 Contributed equity (continued)

Movements in ordinary share capital

Date	Details	Number of shares	$'000
1 October 2013	Opening balance	95,125,369	83,440
25 September 2014	Issued capital	402,534	926
30 September 2014	Closing balance	95,527,903	84,366
1 October 2014	Issue of new shares for acquisition of Fleet NZ Limited	26,059,844	63,301
1 October 2014	Loan shares vested	11,563,053	-
22 April 2015	Issue of shares for settlement of CRPS	18,695,649	43,000
22 April 2015	Issue of shares for promissory notes	36,652,534	84,301
22 April 2015	Issue of shares on Initial Public Offering	45,282,315	104,389
22 April 2015	Transaction costs, net of tax	-	(4,352)
30 September 2015	Closing balance	233,781,298	375,005

Treasury shares
Treasury shares are shares in Eclipx Group Limited that are held by Eclipx Group Limited Employee Share Trust or by staff under loans. These shares are issued under the Eclipx Group Limited Employee Share scheme and the executive LTI plan. The shares that have not been settled in cash are funded with a loan and are in substance an option and are reflected with zero value until such time that they are settled in cash so as to exercise the option.

Details	Number of shares 2015	Number of shares 2014
Opening balance	10,204,578	4,142,224
Shares transferred to fully paid ordinary shares	(11,563,053)	(107,573)
Issue of treasury shares	7,783,475	6,169,927
Closing balance	**6,425,000**	**10,204,578**

4.6 Commitments

(a) Telecommunication commitments

Telecommunication commitments contracted for at the end of the reporting period but not recognised as liabilities, are as follows:

	Consolidated	
	2015 $'000	2014 $'000
Telecommunication commitments	**9,543**	1,335

4.0 CAPITAL MANAGEMENT (continued)

4.6 Commitments (continued)

(b) Lease commitments: Group as lessee

(i) Operating leases
The Group leases various offices under non-cancellable operating leases expiring within the next five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

Commitments in relation to leases contracted for at the end of each reporting period but not recognised as liabilities, are as follows:

	Consolidated	
	2015 $'000	**2014 $'000**
Within one year	**5,653**	1,996
Later than one year but not later than five years	**18,303**	8,154
	23,956	10,150

(ii) Finance leases
The Group leases fixed assets which lease expires within the next five years.

Commitments in relation to leases contracted for at the end of each reporting period and recognised as liabilities, are as follows:

	Consolidated	
	2015 $'000	**2014 $'000**
Within one year	**385**	-
Later than one year but not later than five years	**1,122**	-
	1,507	-

(c) Lease commitments: Group as lessor

(i) Finance leases
Future minimum lease payments due to the Group under non-cancellable leases, are as follows:

	Consolidated	
	2015 $'000	**2014 $'000**
Commitments in relation to finance leases are receivable as follows:		
Within one year	**93,459**	74,481
Later than one year but not later than five years	**173,801**	100,877
Later than five years	**195**	18
	267,455	175,376

4.0 CAPITAL MANAGEMENT (continued)

4.6 Commitments (continued)

(c) Lease commitments: Group as lessor (continued)

(ii) Operating leases
Minimum lease payments receivable on leases of motor vehicles are as follows:

	Consolidated	
	2015 $'000	**2014 $'000**
Minimum lease payments under non-cancellable operating leases of motor vehicles not recognised in financial statements are receivable as follows:		
Within one year	**277,179**	190,979
Later than one year but not later than five years	**339,319**	212,045
Later than five years	**16,999**	3,399
	633,497	406,423

(d) Contractual commitments for the acquisition of property, plant or equipment
The Group had contractual commitments for the acquisition of property, plant or equipment totalling $47,686,119 (2014: $27,702,935). These commitments are not recognised as liabilities as the relevant assets have not yet been received.

4.7 Dividends

Recognition and measurement

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, before or at the end of the financial year but not distributed at balance date.

On 09 November 2015, the Directors declared the following dividend:

	2015 Final
Dividend per share (in Australian cents)	6.5
Franking percentage	100%
Total dividend (in $'000)	15,613
Payment date	29 January 2016
Dividend record date	31 December 2015

The final 2015 dividend has not been declared at the reporting date and therefore is not reflected in the financial statements.

5.0 EMPLOYEE REMUNERATION AND BENEFITS

Recognition and measurement

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period 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 end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Retirement benefit obligations

The Group makes payments to employees' superannuation funds in line with the relevant superannuation legislation. Contributions made are recognised as expenses when they arise.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Bonus plans

The Group recognises a liability and an expense for bonuses on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

5.1 Share based payments

Share based payments

Share based compensation benefits are provided to employees via the Eclipx Group LTI plan.

The fair value of options granted under the Eclipx Group LTI plan is recognised as an expense by the employing entity that receives the employee's services. with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during, which the employees become unconditionally entitled to the options (vesting period).

The fair value at grant date is independently determined using a Binomial tree option pricing model and Monte-Carlo simulation 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. The fair value of the options granted is then adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in the assumptions about the number of options that are expected to become exercisable. At the end of each reporting period, the Group revises its estimate of the number of options that are expected to become exercisable.

The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the statement of profit or loss and other comprehensive income, with a corresponding adjustment to equity.

In the event a share scheme is cancelled, the remaining unexpensed fair value of the original grant for those options still vesting at the date of cancellation is taken as a charge to the statement of profit or loss and other comprehensive income.

Loan shares

Eclipx Group Limited issued shares to senior management employees of the Group with consideration satisfied by loans to the employees granted by Eclipx Group Limited. These arrangements are considered to be "in substance options" and treated as share-based payments. Whilst the above awards have been made by Eclipx Group Limited, the employees provide services to other entities within the Group, and therefore the associated expenses are borne by those entities that receive the relevant employees' services.

5.0 EMPLOYEE REMUNERATION AND BENEFITS (continued)

5.1 Share based payments (continued)

Options

Eclipx Group Limited issued options to key employees of the Group. Whilst the above awards have been made by Eclipx Group Limited, the employees provide services to other entities within the Group, and therefore the associated expenses are borne by those entities that receive the relevant employees' services. Options do not carry a right to receive any dividends. If options vest and are exercised to receive shares, these shares will be eligible to receive any dividends.

The loan shares and options are subject to the same performance hurdles. Refer to remuneration report for details of these performance hurdles.

(i) **Long Term Incentive Plan**

For the year ended 30 September 2015, the following awards were provided under the following employee share ownership plans:

Loan shares and options
Each award has two equal weighted tranches which are subject to testing against certain total shareholder return (TSR) and earnings per share (EPS) conditions on 21 April 2017 for tranche 1 and 21 April 2018 for tranche 2. Both tranche 1 and 2 are subject to retest on 21 April 2018 and 21 April 2019 respectively, to the extent that awards subject to TSR conditions do not vest after the initial performance period.

5.0 EMPLOYEE REMUNERATION AND BENEFITS (continued)

5.1 Share based payments (continued)

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

Loan shares

Grant date	Expected vesting date	Exercise price	Weighted average exercise price	Balance at start of the year Number	Granted during the year Number	Uplift (a) Number	Forfeited during the year Number	Vested and exercised during the year Number	Unvested balance at end of the year Number	Vested option not exercised Number
2015										
25-Sep-08		$0.90	$0.90	5,170,000	-	-	(545,000)	(3,837,500)	-	787,500
08-May-13		$2.03	$2.03	345,984	-	-	(216,240)	-	-	129,744
25-Sep-14		$2.30	$2.30	8,697,500	-	2,493,275	-	-	-	11,190,775
10-Mar-15		$2.30	$2.30	-	450,000	-	-	-	-	450,000
22-Apr-15	21-Apr-17	$2.30	$2.30	-	3,212,500	-	(112,500)	-	3,100,000	-
22-Apr-15	21-Apr-18	$2.30	$2.30	-	3,212,500	-	(112,500)	-	3,100,000	-

(a) Uplift is a result of the acquisition of the NZ Group.

Grant date	Expected vesting date	Exercise price	Weighted average exercise price	Balance at start of the year Number	Granted during the year Number	Forfeited during the year Number	Balance at end of the year Number
2014							
25-Sep-08	30-Nov-14	$0.90	$0.90	6,335,000	-	(1,165,000)	5,170,000
24-Jun-12	30-Nov-14	$2.11	$2.11	735,217	-	(735,217)	-
08-May-13	30-Nov-14	$2.03	$2.03	562,224	-	(216,240)	345,984
25-Sep-14	30-Sep-14	$2.30	$2.30	-	8,697,500	-	8,697,500

5.0 EMPLOYEE REMUNERATION AND BENEFITS (continued)

5.1 Share based payments (continued)

Options

Grant date	Expected vesting date	Exercise price	Weighted average exercise price	Balance at start of the year Number	Granted during the year Number	Forfeited during the year Number	Balance at end of the year Number
2015							
22-Apr-15	21-Apr-17	$2.30	$2.30	-	887,500	(87,500)	800,000
22-Apr-15	21-Apr-18	$2.30	$2.30	-	887,500	(87,500)	800,000

(i) **Fair value of options granted**

The average assessed fair value at grant date of loan shares granted during the year ended 30 September 2015 was $0.61 per share (2014: $0.34), and the average assessed fair value at grant date of options granted during the year ended 30 September 2015 was $0.38 per option. The fair value for awards granted under Relative TSR vesting conditions is independently determined using the Monte-Carlo simulation pricing model, whilst the fair value for awards granted under EPS Hurdle vesting conditions is independently determined using the Binomial tree pricing model. The models take 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 risk free interest rate for the term of the option (2014: Binomial tree pricing model).

The model inputs for options granted are as follows:

Grant date	**22 April 2015**		**25 September 2014**	
Award type	**Loan shares/Options**		**Loan shares/Options**	
Tranche	**1**	**2**	**1**	**2**
First test date	21 April 2017	21 April 2018	no vesting conditions	no vesting conditions
Retest date	21 April 2018	21 April 2019	no vesting conditions	no vesting conditions
First vesting date	21 April 2017	21 April 2018	30 September 2014	30 September 2014
Loan repayment date/expiry date	21 April 2020	21 April 2020	30 September 2019	30 September 2022
Share price at the grant date	$2.30	$2.30	$1.48	$1.48
Loan/exercise price	$2.30	$2.30	$2.30	$2.30
Expected life	3.5 years	4.0 years	2.5 years	3.5 years
Volatility	30%	30%	35%	35%
Risk free interest rate	1.91%	1.93%	2.64%	2.64%
Dividend yield (p.a)	5.0%	5.0%	5.0%	5.0%

5.0 EMPLOYEE REMUNERATION AND BENEFITS (continued)

5.1 Share based payments (continued)

The expected price volatility is representative of the level of uncertainty expected in the movements of the Company's share price over the life of the award. The price volatility was determined considering:

- the tendency of newly listed entities to show decreasing volatility early in their life;
- volatility of comparable listed companies; and
- the mean reversion tendency of volatilities.

5.0 EMPLOYEE REMUNERATION AND BENEFITS (continued)

5.1 Share based payments (continued)

(ii) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	Consolidated	
	2015 **$'000**	**2014** **$'000**
Options issued to employees of controlled entities during the year	**816**	2,301

(iii) Terms and conditions of Share Schemes

The share based payments issued on the 22 of April 2015 are subject vesting conditions. Refer to remuneration report for details of these vesting conditions.

The share based payments issued on 25 September 2014 have no vesting conditions remaining and have vested. The options have expiry dates ranging between five and seven years. The loans that have been granted to fund the acquisition of the shares are interest free. The loans can only be prepaid with dividends received or with the sale of the underlying shares.

The share based payments issued in prior periods have the following terms and conditions:

- the shares vested upon the listing event;
- employees are unable to sell their shares without the consent of other shareholders;
- if an employee ceases employment with the Group, the departing employee must, if required by notice in writing by the Group, sell all of the shares held to a person or persons nominated by the Group. The price at which the employee must sell their shares will be market price if the employee completes five years of service (following the original grant date under the original Fleet Management Share Scheme), or ceases employment due to death, disability or redundancy. If the employee ceases employment for any other reason, the price will be the lower of cost and market value, where cost is the price at which the shares were purchased/issued, and where market value is the value ascribed to those shares by shareholder agreement;
- dividends received on the shares are first used to repay the loans granted by Eclipx Group Limited;
- no interest accrues on the loans; and
- on sale of the shares, the loans are considered to be fully satisfied by consideration received, even if this is less than the amount of loan outstanding at that time.

5.0 EMPLOYEE REMUNERATION AND BENEFITS (continued)

5.2 Key management personnel disclosure

	Consolidated	
	2015	**2014**
	$'000	**$'000**
Short-term employee benefits	**4,164**	2,723
Post-employment benefits	**89**	98
Termination benefits	**-**	1,535
Long-term employee benefits	**8**	-
Share-based payments	**978**	2,301
	5,239	6,657

6.0 OTHER

6.1 Reserves

Recognition and measurement

Share-based payment reserve

The share based payment reserve is used to recognise:

- the fair value of options issued to Directors and employees but not exercised;
- the fair value of shares issued to Directors and employees; and
- other share-based payment transactions.

Cash flow hedge reserve

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised in other comprehensive income. Amounts are reclassified to profit or loss when the associated hedge transaction affects profit or loss.

Treasury reserve

Treasury shares are unpaid loan shares in Eclipx Group Limited that have been issued as part of the Eclipx Group Share scheme and the executive LTI plan. See note 5.1 for further information.

6.0 OTHER (continued)

6.1 Reserves (continued)

	Consolidated	
	2015 $'000	2014 $'000
Reconciliation of reserves		
Hedging reserve - cash flow hedges	**(12,692)**	(6,102)
Treasury reserve	**(2,329)**	(1,929)
Foreign currency translation reserve	**(325)**	(48)
Share based payments reserve	**6,570**	5,754
Total other reserves	**(8,776)**	(2,325)
Movements in reserves		
Hedging reserve - cash flow hedges		
Balance 1 October	**(6,102)**	(9,152)
Revaluation	**(9,278)**	4,357
Deferred tax	**2,688**	(1,307)
Balance 30 September	**(12,692)**	(6,102)
Share based payments reserve		
Balance 1 October	**5,754**	3,453
Options issued to employees of controlled entities during the year	**816**	2,301
Balance at 30 September	**6,570**	5,754

6.2 Parent entity information

(i) **Summary financial information**

The individual financial statements for the parent entity show the following aggregate amounts:

	Consolidated	
	2015 $'000	2014 $'000
Statement of financial position		
Current assets	**5,175**	2,468
Non-current assets	**699,841**	86,491
Total assets	**705,016**	88,959
Current liabilities	**(9,853)**	(11,613)
Non-current liabilities	**(112,508)**	-
Total liabilities	**(122,361)**	(11,613)
Shareholders equity		
Issued share capital	**375,005**	76,291
Reserves	**(1,743)**	6,537
Retained earnings/(accumulated loss)	**209,393**	(5,253)
	582,655	77,575
Profit/(loss) for the year	**214,646**	(229)

(ii) **Guarantees entered into by the parent entity**

There are cross guarantees given by Eclipx Group Limited, Pacific Leasing Solutions (Australia) Pty Limited, Leasing Finance (Australia) Pty Limited, Fleet Holding (Australia) Pty Limited, PLS Notes (Australia) Pty Limited, Fleet Partners Pty Limited, Fleet Aust Subco Pty Limited, Fleet Partners Franchising Pty Limited, CLFC Pty Limited, Car Insurance Pty Limited, FleetPlus Holdings Pty Limited, CarLoans.com.au Pty Ltd, Fleet Choice Pty Ltd, CLFC Media Holdings Pty Limited, FleetPlus Pty Limited, Eclipx Commercial Pty Ltd, FleetPlus Novated Pty Limited, PackagePlus Australia Pty Limited, Eclipx Insurance Pty Ltd and CarInsurance.com.au Pty Ltd.

6.0 OTHER (continued)

6.2 Parent entity information (continued)

No liability was recognised by the parent entity or the consolidated entity in relation to the above guarantee as the fair value of the guarantee is immaterial.

(iii) **Contingent liabilities of the parent entity**

The parent entity did not have any contingent liabilities as at 30 September 2015 or 2014. For information about guarantees given by the parent entity, see above.

6.3 Related party transactions

(i) **Payables - Advances from related parties**

	Consolidated	
Non-Current	**2015 $'000**	**2014 $'000**
Promissory note - Ironbridge Capital II A Pty Limited	-	9,189
Promissory note - Ironbridge Capital II B Pty Limited	-	9,190
Promissory note - Ironbridge Capital Limited	-	28,565
Promissory note - Sing Glow Investment Pte Limited	-	47,442
Ironbridge Cayco Loan Notes	-	6,865
	-	101,251
Fleet NZ Limited	-	5,028
	-	106,279

Promissory notes amounting to $61,779,232 were issued in 2006 with a maturity date of 1 November 2019 and incorporated an implicit rate of 10% per annum. Promissory notes amounting to $13,964,876 were issued in 2010 with an implicit rate of 12% per annum with a maturity date of 30 September 2020. The total liability plus interest was settled during the year. Promissory notes are measured at amortised cost.

The promissory notes were settled on 22 April 2015 following the IPO. Ironbridge Funds agreed for their promissory notes worth $84,301,000 to be endorsed to the Group by completion in consideration for the issue of shares by the Company at the IPO offer price, whilst Sing Glow agreed for their promissory notes worth $73,200,000 to be repaid by the Group.

(ii) **Transactions within the wholly owned Group**

The following transactions occurred with related parties:

The related party payables among Australian entities are interest free and are not due for payment within the next 12 months. The 2006 promissory notes accrue interest at a rate of 10% per annum, and mature on 1 November 2019, whereas the 2010 promissory notes accrue interest at a rate of 12% per annum, and mature on 30 September 2020.

Interest expense of $nil (2014: $906) was paid to Fleet Holding (NZ) Limited. Interest income of $61,017 (2014: $135,055) was received from Pacific Leasing Solutions (NZ) Limited during the period.

(iii) **Controlling entity**

The parent entity of the Group is Eclipx Group Limited.

(iv) **Interest in other entities**

The controlled entities of the Group listed below were wholly owned during the current and prior year, unless otherwise stated:

6.0 OTHER (continued)

6.3 Related party transactions (continued)

Australia

Fleet Aust Subco Pty Ltd	FP Turbo Trust 2007-1 (Australia)
Pacific Leasing Solutions (Australia) Pty Ltd	FP Turbo Series 2014-1 Trust
Leasing Finance (Australia) Pty Ltd	FP Turbo Warehouse Trust 2014-1 (Australia)
PLS Notes (Australia) Pty Ltd	Fleet Partners Franchising Pty Ltd
Fleet Holding (Australia) Pty Ltd	Eclipx Insurance Pty Ltd
Fleet Partners Pty Ltd	CarInsurance.com.au Pty Ltd
FleetPlus Holdings Pty Limited	Car Insurance Pty Ltd
FleetPlus Pty Ltd	CLFC Pty Ltd*
FleetPlus Novated Pty Ltd	CarLoans.com.au Pty Ltd*
PackagePlus Australia Pty Ltd	Fleet Choice Pty Ltd*
CLFC Media Holdings Pty Ltd*	FP Turbo Series 2015-1 Equipment Trust
Eclipx Commercial Pty Ltd	FleetPlus Asset Securisation Pty Ltd***

New Zealand

FleetPlus Ltd (NZ)	Fleet Holding (NZ) Ltd**
CarLoans.co.nz Ltd*	Fleetpartners NZ Trustee Ltd**
Fleet NZ Limited**	Truck Leasing Ltd**
Pacific Leasing Solutions (NZ) Limited**	FP Ignition Trust 2011-1 New Zealand**
Leasing Finance (NZ) Limited**	FleetPartners NZ Trust**
PLS Notes (NZ) Ltd**	FPNZ Warehouse Trust 2015-1**

* On 16 October 2014, the Group concluded the 100% acquisition of the CarLoans Group.
** On 1 October 2014, a Group restructure was undertaken whereby Fleet NZ Limited and its controlled entities (NZ Group), a related party of the Group incorporated in New Zealand and controlled by the same consortium of investors was acquired by the Group.
*** The Group does not have control of FleetPlus Asset Securisation Pty Ltd.

(v) **Transactions with other related parties**

(a) Relationship with Ironbridge and Sing Glow
Certain existing owners, including the Ironbridge Funds and Sing Glow, were parties to a shareholders deed in relation to Eclipx Group Limited which was entered on or about 29 July 2008 and amended from time to time since that date. Ironbridge (a nominee of the Ironbridge Funds) and Sing Glow (or its nominee) were together paid in 2015 fees of $581,914 (2014: $1,059,596) for providing advisory services to Eclipx Group Limited. The shareholders deed referred to above terminated on completion of the IPO and no further fees will be paid under it.

(b) Logbook Me Pty Limited
Eclipx Group Limited is party to a contract with Logbook Me Pty Limited (LogbookMe) which supplies a fringe benefits tax, fuel tax credit, driver safety and fleet management tool to Group for distribution to its customers, including by means of GPS tracking devices. LogbookMe has agreed not to distribute its product to other fleet management and vehicle finance providers for the term of the contract, subject to minimum subscriber volumes. The term of the contract is 10 years from 15 October 2014. Eclipx paid a one-off fee to LogbookMe under the contract of $571,429 and is obliged to pay per device fees to LogbookMe based on usage. The device, freight and subscription fees paid to LogbookMe amounted in 2015 to $119,291 (2014: $nil).

The Chief Executive Officer and Deputy Chief Executive Officer have a direct equity interest in LogbookMe.

6.0 OTHER (continued)

6.4 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Group.

	Consolidated	
	2015	**2014**
	$	**$**
(a) Audit and assurance services		
Audit Services		
PwC Australian firm:		
Audit and review of financial statements	**-**	449,550
Under accrual relating to previous year audit	**-**	70,321
Total for audit services for PwC	**-**	519,871
KPMG Australian firm:		
Audit and review of financial statements	**590,000**	416,500
Under accrual of fees	**39,832**	70,321
Other assurance services	**-**	128,939
Total for audit and assurance services for KPMG	**629,832**	615,760
(b) Non-audit services		
PwC Australian firm:		
Transactional advisory services	**-**	1,434,587
Total remuneration for non-audit services for PwC	**-**	1,434,587
Total remuneration for PwC	**-**	1,954,458
KPMG Australian firm:		
IPO transactional advisory services	**1,560,878**	-
Tax services	**226,939**	-
Other	**-**	45,000
Total remuneration for non-audit services for KPMG	**1,787,817**	45,000
Total remuneration for KPMG	**2,417,649**	660,760

6.5 Deed of cross guarantee

Eclipx Group Limited, Pacific Leasing Solutions (Australia) Pty Limited, Leasing Finance (Australia) Pty Limited, Fleet Holding (Australia) Pty Limited, PLS Notes (Australia) Pty Limited, Fleet Partners Pty Limited, Fleet Aust Subco Pty Limited, Fleet Partners Franchising Pty Limited, CLFC Pty Limited, Car Insurance Pty Limited, FleetPlus Holdings Pty Limited, CarLoans.com.au Pty Ltd, Fleet Choice Pty Ltd, CLFC Media Holdings Pty Limited, FleetPlus Pty Limited, Eclipx Commercial Pty Ltd, FleetPlus Novated Pty Limited, PackagePlus Australia Pty Limited, Eclipx Insurance Pty Ltd and CarInsurance.com.au Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

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 Eclipx Group Limited, they also represent the 'Extended Closed Group'.

Set out below is a statement of profit or loss and other comprehensive income for the year of the Closed Group.

6.0 OTHER (continued)

6.5 Deed of cross guarantee (continued)

	Consolidated 2015 $'000	Consolidated 2014 $'000
Statement of profit or loss and other comprehensive income		
Revenue from continuing operations	**347,629**	274,408
Cost of revenue	**(166,860)**	(155,519)
Lease finance costs	**(42,602)**	(45,628)
Net operating income before operating expenses and impairment charges	**138,167**	73,261
Impairment losses on loans and receivables	**(1,884)**	(3,720)
Net operating income before operating expenses	**136,283**	69,541
Employee benefit expense	**(52,978)**	(36,061)
Depreciation and amortisation expense	**(6,451)**	(8,944)
Operating overheads	**(40,497)**	(24,267)
Total overheads	**(99,926)**	(69,272)
Operating finance costs	**(14,569)**	(19,158)
Profit/(loss) before income tax	**21,788**	(18,889)
Income tax (expense)/benefit	**(7,292)**	4,046
Profit/(loss) for the year	**14,496**	(14,843)
Other comprehensive income, net of tax	**(6,867)**	3,002
Total comprehensive income/(loss) for the year	**7,629**	(11,841)

Set out below is a consolidated statement of financial position as at reporting date of the Closed Group.

	Consolidated 2015 $'000	Consolidated 2014 $'000
ASSETS		
Current assets		
Cash and cash equivalents	**49,860**	39,346
Restricted cash and cash equivalents	**65,771**	65,732
Trade and other receivables	**47,486**	21,840
Finance leases	**74,712**	61,560
Inventory	**11,818**	10,640
Operating leases reported as property, plant and equipment	**145,351**	168,646
Receivables - Advances from related parties	**-**	672
Total current assets	**394,998**	368,436
Non-current assets		
Property, plant and equipment	**8,895**	5,816
Operating leases reported as property, plant and equipment	**448,266**	390,691
Deferred tax assets	**7,475**	10,990
Intangibles	**394,985**	305,506
Finance leases	**147,448**	87,673
Receivables - Advances to related parties	**53,645**	-
Total non-current assets	**1,060,714**	800,676
Total assets	**1,455,712**	1,169,112

6.0 OTHER (continued)

6.5 Deed of cross guarantee (continued)

	Consolidated 2015 $'000	Consolidated 2014 $'000
LIABILITIES		
Current liabilities		
Trade and other liabilities	**57,255**	44,676
Borrowings	**173,380**	332,692
Other	**385**	-
Derivative financial instruments	**7,076**	9,903
Provisions	**3,500**	5,692
Payables - Advances from related parties	**3,723**	-
Total current liabilities	**245,319**	392,963
Non-current liabilities		
Trade and other liabilities	**2,667**	-
Borrowings	**711,658**	486,210
Other	**1,122**	-
Provisions	**1,564**	961
Derivative financial instruments	**6,584**	-
Payables - Advances from related parties	**-**	101,251
Total non-current liabilities	**723,595**	588,422
Total liabilities	**968,914**	981,385
Net assets	**486,798**	187,727
EQUITY		
Contributed equity	**375,005**	84,366
Reserves	**(8,437)**	(2,373)
Retained earnings	**120,230**	105,734
Total equity	**486,798**	187,727

6.0 OTHER (continued)

6.6 Reconciliation of cash flow from operating activities

	Consolidated	
	2015	**2014**
	$'000	**$'000**
Profit/(loss) after tax for the year	**27,554**	(12,206)
Depreciation and amortisation	**197,669**	140,973
Doubtful debts	**1,616**	3,744
Restructuring expenses	**-**	3,985
Share based payments expense	**1,057**	2,301
Fleet and stock impairment	**1,851**	5,587
Interest on promissory notes	**8,452**	9,851
Unwind on contingent consideration	**1,447**	205
Net (gain)/loss on sale of non-current assets	**(8,685)**	7,220
Hedging gain	**(182)**	(403)
Exchange rate variations on New Zealand cash and cash equivalents	**(205)**	-
Net cash inflow from operating activities before change in assets and liabilities	**230,574**	161,257
Change in operating assets and liabilities:		
Increase in trade and other receivables	**(1,211)**	(2,500)
Increase in finance leases	**(72,847)**	-
Decrease/(increase) in deferred tax assets/liabilities	**3,528**	(9,024)
Increase in trade and other liabilities	**17,212**	9,628
Increase/(decrease) in current tax liabilities	**7,608**	(3,250)
Decrease in current provisions	**(4,370)**	(1,682)
Increase in other current liabilities	**11,024**	937
Net cash inflow from operating activities	**191,518**	155,366

6.7 Events occurring after the reporting period

There have been no significant events occurring after the end of the reporting period.

Directors' Declaration

In the opinion of the Directors of Eclipx Group Limited (Group):

(a) The consolidated financial statements and notes of the Group that are set out on pages 32 to 81 are in accordance with the Corporations Act 2001, including:

  (i) Giving a true and fair view of the Group's financial position as at 30 September 2015 and of its performance for the financial year ended on that date; and

  (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

(c) There are reasonable grounds to believe that the Group and the group entities identified in Note 6.5 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Class Order 98/1418.

(d) 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 for the financial year ended 30 September 2015.

(e) The Directors draw attention to note 1 of the consolidated financial statements which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

Kerry Roxburgh
Chairman

Doc Klotz
Chief Executive Officer

Sydney
9 November 2015

Independent auditor's report to the members of Eclipx Group Limited

Report on the financial report

We have audited the accompanying financial report of Eclipx Group Limited (the company), which comprises the consolidated statement of financial position as at 30 September 2015, and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1.0 to 6.7 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 1.0, 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 September 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 1.0.

Report on the remuneration report

We have audited the Remuneration Report included in pages 21 to 31 of the directors' report for the year ended 30 September 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 Eclipx Group Limited for the year ended 30 September 2015, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Andrew Dickinson
Partner

Sydney

9 November 2015