

FOR THE YEAR ENDED 30 JUNE 2015
CABCHARGE AUSTRALIA LIMITED
 ABN 99 001 958 390

APPENDIX 4E

Preliminary Final Report
 Financial year ended 30 June 2015

Results for announcement to the market

Extracts from this report for announcement to the market

\$A'000

Revenues	Down	-4.7%	to	187,963
Statutory net profit after tax attributable to members	Down	-16.6%	to	46,789
Dividends (distributions)			Amount per share	Franked amount per share
Final dividend (Current period)			10.0 ¢	10.0 ¢
(Previous period)			10.0 ¢	10.0 ¢
Interim dividend (Current period)			10.0 ¢	10.0 ¢
(Previous period)			15.0 ¢	15.0 ¢

Record date for determining entitlements to the dividend

30 September 2015

Date the final dividend is payable

29 October 2015


 Sheila Lines
 Chief Financial Officer

Date: 21 August 2015

Operating and Financial Review

The Company operates taxi networks and provides an alternative payment system to cash in the taxi industry.

The Company operates predominantly in one business and geographic segment being the provision of taxi related services in Australia. An associate company which is equity accounted for, ComfortDelGro Cabcharge Pty Ltd ("CDC"), operates in a different business segment – namely the provision of route, school and charter bus services in Australia. The Company also operates in the provision of taxi related services and coach hire services in the UK through another equity accounted associate, CityFleet Networks Ltd ("CFN").

During the year, laws introduced in New South Wales and Western Australia to impose a limit on service fees for taxi payments to 5% came into effect from 12 December 2014 and 24 February 2015 respectively. During the prior year laws introduced in Victoria to impose a limit on the service fees for taxi payments to 5% came into effect from 1 February 2014.

The Company's revenue was \$188 million, a decrease of \$9.3 million or 4.7% over the previous year's \$197.3 million. In the context of the impact due to the limit on services fees the Company has delivered a strong operating revenue performance across all revenue lines.

Taxi fares processed increased \$89 million or 8.6% in FY15 to \$1,118 million (2014:\$1,029 million). The combination of growth in taxi fares processed and the decline in the effective service fee rate to 6.8% (2014: 8.5%) due to the implementation of the laws limiting the service fee to 5% referred to above resulted in an overall decrease of taxi service fee income of \$13.7 million compared to the prior year.

Growth in Members Taxi Related Services revenue of \$2.5 million or 2.6% was generated from more taxis joining our taxi networks in Sydney and Melbourne.

Total Turnover, which includes taxi fares processed, Taxi Service Fee Income and members Taxi Related Services was \$1,308 million for the year (2014:\$1,228 million).

Other revenue increased \$1.8 million or 17.3% to \$12.6 million driven by increased bus revenue from South Australia and increased subscription revenue from FAREWAY*plus*, a far simpler in-taxi solution which provides the capability of instant interaction between passengers, drivers and taxi operators.

The Company's operating expenses, excluding impairment charges on investments in associates, decreased \$1.3 million compared to the previous year. New rates negotiated with taxi network following the introduction of the 5% service fee limit on taxi payments have resulted in a \$4.2 million decrease in processing fees to taxi networks in FY15.

Operations and administration expenses increased \$1.4 million primarily due to increases in technical resources to develop and support payments products. Operating

costs to support the growth in bus revenue in South Australia and increased marketing and sponsorship also contributed to the increase.

Transaction processing expenses increased \$0.8 million due to the take up in use of the Cabcharge contactless FASTeTICKET. Depreciation and amortisation expense increased \$0.8 million due to the first phase deployment of FAREWAY^{plus}.

The Company has pursued its strategic objectives of increasing its taxi fleet size, establishing a uniform taxi networks national operating model, developing applications that link bookings and payments, arresting previous declines in transaction volumes through Cabcharge accounts and the deployment of new core switching and in-vehicle technology to support its payments strategy while decreasing cash operating expenses 1.8% year over year.

The equity accounted net profit contribution from our Associates, CDC and CFN, for the year was \$16.7 million, a decrease of \$4 million compared to \$20.7 million in FY14.

CDC's equity accounted net profit contribution for FY15 decreased \$3.7 million to \$15.2 million due to contract changes in New South Wales; namely transition costs and compressed margins for the new Region 4 contract and the loss of the bus contracts in Regions 1 and 3 in October 2013, partially offset by the contributions of Blue Mountains Transit and an increase in route services. In Victoria CDC net profit contribution remained consistent. CFN's equity accounted net profit contribution for FY15 was \$1.4 million, a decrease of \$0.3 million over FY14, due to the impact of the downturn in the oil and gas industry on profits from the Aberdeen taxi services and continuing competitive pressures on taxi services in London affecting margin and revenue. Aberdeen operations are a material contributor to CFN profit and cash flow.

Reflecting the decline in operating performance of CFN and an increase in the discount rate applied to the expected future cash flows from our CFN affiliate, a \$10.3 million impairment charge on investments in associates relating to CFN was recorded for the year (2014: \$9.7 million). The discount rate increased due to both an increase in the 20 year UK government bond rate and an increase in expected market premium for UK equities over the risk free rate. The pre-tax discount rate used at 30 June 2015 is 9.1% (2014: 7.3%). The carrying value of the associate interest in CFN after the impairment charge is \$47 million reflecting \$12 million of surplus cash held by CFN and an enterprise value of \$35 million.

The Company's net profit after tax was \$46.8 million, a decrease of \$9.3 million or 16.6% from the previous year of \$56.1 million. Basic and diluted earnings per share were 38.9 cents (2014: 46.6 cents).

The Company's net assets as at 30 June 2015 increased to \$393.2 million from \$366.3 million. This is due to the current year's net profit after tax less dividends paid of \$24.1 million during the year, \$3.1 million increase in share of associates' foreign currency translation differences and \$1.3 million increase in the fair value of available-for-sale financial assets, net of tax.

During the year, management continued to reduce total borrowings. Total borrowings at 30 June 2015 are \$128.2 million, a reduction of \$30.9 million from a year ago of \$159.1

million. The net debt to equity ratio was 26.5% at 30 June 2015 (2014: 32%). The available liquidity at 30 June 2015 was \$100.9 million (2014: \$92.9 million), consisting of \$23.9 million in cash (2014: \$41.9 million) and \$77 million (2014: \$51 million) in unused facilities.

Management continues to take a prudent approach to leverage while ensuring the Company invests in the competitive position of its products and therefore shareholder value. Investments in property, plant and equipment were \$11.6 million in the year (FY 2014 \$4.0 million) reflecting the rollout of *FAREWAYplus* and investment in a new payments switch which enhances existing products and provides the flexibility to develop new future payments products.

The operating cash flow for the year was \$50 million, compared to \$57.9 million for 2014. Free cash flow after investment in property, plant and equipment and development of intellectual property was \$36.3 million for the year. Free cash flow was used to pay \$24.1 million in dividends and to reduce net debt \$12.9 million.

The fully franked dividend for 2H15 will be 10 cents, with a record date of 30 September 2015 and a payment date of 29 October 2015. This brings the full year dividend for FY15 to 20 cents, fully franked, compared to 25 cents in FY14.

Outlook

The industries in which we operate have always been competitive. Our businesses have withstood the tests of increased competition and achieved strong results, trading profitably throughout FY15. Revenues from members' taxi related services grew 2.6% in FY15 reflecting the continuing value taxi operators see from affiliation with our taxi networks. Excluding the taxi service fee from turnover, the underlying volume of taxi fare payments processed grew 8.6% in FY15.

FY16 will reflect the full year impact on taxi service fee income from the laws introduced in New South Wales and Western Australia to impose a limit on the service fee for taxi payments of 5%. Our strategies are directed at continuing to increase the volume of fares processed through our services.

We will continue meeting the challenges of increased competition and are confident that, on the back of the quality of our service offerings and our experience, we will maintain our position as a leading provider of taxi related services. Where opportunity arises, we will seek to offer the services we develop to other taxi networks to support their continued development and success.

We are reaching the end of our trials of the *FAREWAYplus* product in which will replace the existing Cabcharge payment engines. *FAREWAYplus* provides us with a platform to offer a broader range of taxi related services to interested taxi networks and operators.

Our technical competence in payments and our deep understanding and engagement with the needs of the taxi industry and its customers will enable us to continue operating profitably into the future, and in doing so we will generate cash flow to invest in product development, ensure prudent capital management and return dividends to our shareholders.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015
CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES**

<i>in thousands of AUD</i>	Notes	2015	2014
Revenue	2	187,963	197,253
Other income		54	35
Processing fees to taxi networks		(14,486)	(18,689)
Costs of members taxi related services		(35,829)	(36,407)
Employee benefits expenses		(37,765)	(37,251)
Operations and Administration expenses		(14,041)	(12,651)
Transaction processing expenses		(4,624)	(3,821)
Depreciation and amortisation	3	(13,428)	(12,632)
Impairment charge on investments in associates		(10,271)	(9,700)
Other expenses		(4,945)	(4,959)
Results from operating activities		52,628	61,178
Finance income		1,483	1,593
Finance costs		(7,050)	(7,857)
Net finance costs		(5,567)	(6,264)
Share of profit of equity accounted investees (net of income tax)		16,662	20,654
Profit before income tax		63,723	75,568
Income tax expense		(16,934)	(19,449)
Profit for the year attributable to owners of the Company		46,789	56,119
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income of associates, net of tax		3,094	3,186
Effective portion of change in fair value of cash flow hedge		(92)	(634)
Net change in fair value of available-for-sale financial assets		1,813	1,157
Net change in fair value of available-for-sale financial assets transferred to profit or loss		(128)	-
Income tax on other comprehensive income		(478)	(157)
Other comprehensive income for the year, net of income tax		4,209	3,552
Total comprehensive income for the year attributable to owners of the Company		50,998	59,671
Earnings per share			
Basic earnings per share (AUD)		38.9 cents	46.6 cents
Diluted earnings per share (AUD)		38.9 cents	46.6 cents

*The Consolidated Statement of Comprehensive Income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015
CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES

<i>in thousands of AUD</i>	Notes	2015	2014
CURRENT ASSETS			
Cash and cash equivalents	6	23,856	41,856
Trade and other receivables		69,086	65,257
Other current assets		3,665	2,953
Inventories		4,098	2,922
TOTAL CURRENT ASSETS		100,705	112,988
NON-CURRENT ASSETS			
Trade and other receivables		7,344	8,819
Financial assets		7,911	6,260
Advances to associates		18,812	18,812
Investments in associates accounted for using the equity method	7	284,292	274,807
Property, plant and equipment		39,025	38,265
Deferred tax assets		3,630	4,351
Taxi plate licences		70,920	71,383
Goodwill		15,032	15,032
Intellectual property		9,131	9,617
TOTAL NON-CURRENT ASSETS		456,097	447,346
TOTAL ASSETS		556,802	560,334
CURRENT LIABILITIES			
Trade and other payables		27,624	22,335
Loans and borrowings		5,199	10,065
Interest rate swaps		985	894
Current tax liabilities		1,671	6,319
Employee benefits		4,298	4,596
TOTAL CURRENT LIABILITIES		39,777	44,209
NON-CURRENT LIABILITIES			
Loans and borrowings		123,000	149,000
Employee benefits		827	839
TOTAL NON-CURRENT LIABILITIES		123,827	149,839
TOTAL LIABILITIES		163,604	194,048
NET ASSETS		393,198	366,286
EQUITY			
Share capital		138,325	138,325
Reserves		690	(3,519)
Retained earnings		254,183	231,480
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF CABCHARGE AUSTRALIA LIMITED		393,198	366,286

*The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015
CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES

<i>in thousands of AUD</i>	Notes	2015	2014
Cash Flows from Operating Activities			
Receipts from customers and others		1,328,133	1,249,720
Payments to suppliers, licensees and employees		(1,251,193)	(1,167,526)
Dividends received		316	1,172
Interest received		1,482	1,394
Finance costs paid		(7,373)	(7,334)
Income tax paid		(21,352)	(19,579)
Net Cash provided by Operating Activities		50,013	57,847
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(11,558)	(3,954)
Payments of development of intellectual property		(2,136)	(2,816)
Payments for other investments		(100)	-
Purchase of taxi licence plates		-	(392)
Advances to associates		(7,840)	-
Repayment from associates		7,840	17,970
Proceeds from sale of investments		275	-
Proceeds from sale of property, plant and equipment		458	142
Net Cash (used in) provided by Investing Activities		(13,061)	10,950
Cash Flows from Financing Activities			
Proceeds from borrowings		10,102	39,511
Repayment of borrowings		(40,968)	(77,851)
Dividends paid	4	(24,086)	(32,516)
Net Cash (used in) Financing Activities		(54,952)	(70,856)
Net Increase in Cash and Cash Equivalents		(18,000)	(2,059)
Cash and cash equivalents at 1 July		41,856	43,915
Cash and cash equivalents at 30 June	6	23,856	41,856

*The Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the accompanying notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015
CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES**

<i>in thousands of AUD</i>	Share Capital	Reserves	Retained Profits	Total Equity
Balance at 1 July 2013	138,325	(7,071)	207,877	339,131
Total comprehensive income for the year				
Profit for the year	-	-	56,119	56,119
<i>Other comprehensive income</i>				
Share of associates' foreign currency translation differences, net of tax	-	3,186	-	3,186
Effective portion of change in fair value of cash flow hedge, net of tax	-	(444)	-	(444)
Net change in fair value of available-for-sale financial assets, net of tax	-	810	-	810
Total other comprehensive income	-	3,552	-	3,552
Total comprehensive income for the period	-	3,552	56,119	59,671
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Dividends to equity holders	-	-	(32,516)	(32,516)
Total contributions by and distributions to owners	-	-	(32,516)	(32,516)
Total transactions with owners	-	-	(32,516)	(32,516)
Balance at 30 June 2014	138,325	(3,519)	231,480	366,286
Balance at 1 July 2014	138,325	(3,519)	231,480	366,286
Total comprehensive income for the year				
Profit for the year	-	-	46,789	46,789
<i>Other comprehensive income</i>				
Share of associates' foreign currency translation differences, net of tax	-	3,094	-	3,094
Effective portion of change in fair value of cash flow hedge, net of tax	-	(64)	-	(64)
Net change in fair value of available-for-sale financial assets, net of tax	-	1,269	-	1,269
Net change in fair value of available-for-sale financial assets transferred to profit or loss, net of tax	-	(90)	-	(90)
Total other comprehensive income	-	4,209	-	4,209
Total comprehensive income for the period	-	4,209	46,789	50,998
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Dividends to equity holders	-	-	(24,086)	(24,086)
Total contributions by and distributions to owners	-	-	(24,086)	(24,086)
Total transactions with owners	-	-	(24,086)	(24,086)
Balance at 30 June 2015	138,325	690	254,183	393,198

*The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015
CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES**

1. Basis of Preparation of Preliminary Final Report

The accounting policies adopted in this report have been consistently applied by each entity in the consolidated entity and are consistent with those of the previous year, except for the following new accounting standards adopted during the year:

AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets

The initial adoption of this Standard has not had a material impact on the amounts reported in the consolidated annual financial report but may affect the accounting for future transactions or arrangements.

This Report is based on the Financial Report which is in the process of being audited.

The current reporting year in the preliminary final report is the year ended 30 June 2015 while the prior year is the year ended 30 June 2014.

	2015 \$A'000	2014 \$A'000
2. Revenue		
Taxi service fee income	75,859	89,513
Members taxi related services	99,052	96,567
Dividends received		
- Non-related corporations	316	275
Rental revenue	178	189
Other revenue	12,558	10,709
Total revenue	187,963	197,253

Total Turnover

Total turnover does not represent revenue in accordance with Australian Accounting Standards. Total turnover represents the value of taxi hire charges (fares) processed through the Cabcharge Payment System including Service Fees received by Cabcharge plus all revenue from other sources, including member taxi related services revenue.

Service Fees received by Cabcharge includes fees charged to a Cabcharge accountholder for the provision of services by Cabcharge to the accountholder and fees charged for processing transactions through the Cabcharge Payment System. Cabcharge is responsible for collecting the total amount of taxi hire charges paid through the Cabcharge Payment System on behalf of taxi operators. Revenue derived from these transactions is disclosed as net Service Fees rather than the full amount of Service Fees plus taxi hire charges.

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

	2015 \$A'000	2014 \$A'000
Total Turnover	1,307,941	1,228,066

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015
CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES**

	2015 \$A'000	2014 \$A'000		
3. Depreciation and amortisation				
Depreciation of non-current assets	10,344	9,389		
Amortisation of Intangibles	3,084	3,243		
Total depreciation and amortisation	13,428	12,632		
4. Dividends				
The following fully franked dividends were paid, franked at tax rate of 30%.				
	2015 \$A'000	2014 \$A'000		
2015 year interim - 10.0 cents	12,043	-		
2014 year final - 10.0 cents	12,043	-		
2014 year interim - 15.0 cents	-	18,064		
2013 year final - 12.0 cents	-	14,452		
	24,086	32,516		
Payable				
2015 final fully franked ordinary dividend of 10 cents per share payable in 2016 financial year (scheduled to be paid on 29 October 2015).				
Cents per share	2015 (cents)	2014 (cents)		
Interim paid	10.00	15.00		
Final proposed	10.00	10.00		
Total	20.00	25.00		
5. Net Assets per share (excluding goodwill)	\$3.14	\$2.92		
6. Notes to the Cashflow				
Cash comprises	2015 \$A'000	2014 \$A'000		
Cash on hand and at bank	11,181	16,587		
Money market deposits	12,675	25,269		
Balance per consolidated statements of cash flows	23,856	41,856		
7. Associate Companies				
(i) Composition				
	2015 %	2014 %	2015 \$A'000	2014 \$A'000
ComfortDelGro Cabcharge Pty Ltd, Australia	49	49	237,286	222,073
CityFleet Networks Ltd, United Kingdom	49	49	47,006	52,734
Investments in associates accounted for using the equity method			284,292	274,807

Reporting Period for these associate companies is 31 December.

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015
CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES**

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

	2015 \$A'000	2014 \$A'000
Balance at beginning of the period	274,807	261,564
Share of associated companies profit after income tax		
- ComfortDelGro Cabcharge Pty Ltd	15,213	18,940
- CityFleet Networks Ltd	1,449	1,714
Foreign exchange translation differences		
- CityFleet Networks Ltd	3,094	3,186
Dividend received		
- CityFleet Networks Ltd	-	(897)
Impairment		
- CityFleet Networks Ltd	(10,271)	(9,700)
Balance at end of the period	284,292	274,807

(iii) Impairment review**ComfortDelGro Cabcharge Pty Ltd**

ComfortDelGro Cabcharge Pty Ltd, with its operations in the provision of route, school and charter bus services in Australia, continues to perform in line with expectations.

CityFleet Networks Ltd

The Group has assessed the recoverable amount of the investment in CityFleet Networks Ltd at 30 June 2015 based on the historical operating performance and independent sources of expected UK taxi industry future performance. The recoverable amount of this investment based on its value-in-use using a discounted projected cash flow model, was determined to be lower than the carrying amount, resulting in the impairment charge of \$10,271,000 (FY14: \$9,700,000). This is reflected in the segment result of the taxi related services in note 9. In assessing the recoverable amount of this investment, the Group has applied an average earnings growth rate of 2.9% for each of the next five years (FY14: 2.0%), a long-term growth rate of 1.9% into perpetuity (FY14: 2.3%), and a pre-tax discount rate of 9.1% (FY14: 7.3%). Management has made the key assumptions on earnings growth on the basis of the combination of historic trends in this business, industry forecasts and in-house estimates. The discount rate has been revised to reflect current UK market assumptions for the risk free rate, the cost of debt and the beta. Following the impairment loss in the investment, the recoverable amount approximates the carrying amount. Therefore, any adverse change in a key assumption would result in a further impairment loss. The value in use of this investment is most sensitive to the discount rate and the base year profit before tax forecast at balance date.

8. Subsequent events**Dividend**

The Directors have declared a final dividend of 10 cents per share (fully franked) scheduled to be paid on 29 October 2015. The record date to determine entitlement to dividend is 30 September 2015.

Other than the matter above, there have been no events subsequent to the reporting date that would have a material impact on the Group's financial statements as at 30 June 2015.

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015
CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES**

9. Segment information

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

	Taxi related services		Bus services		Consolidated	
	2015	2014	2015	2014	2015	2014
	\$A'000	\$A'000	\$A'000	\$A'000	\$A'000	\$A'000
Revenue						
External revenue	187,963	197,253	-	-	187,963	197,253
Result						
Reported result	52,628	61,178	-	-	52,628	61,178
Share of profit of associates	1,449	1,714	15,213	18,940	16,662	20,654
Segment result	54,077	62,892	15,213	18,940	69,290	81,832
Net finance costs					(5,567)	(6,264)
Income tax expense					(16,934)	(19,449)
Profit for the year					46,789	56,119
Other disclosures						
Segment assets, excluding investments accounted for using the equity method	272,510	285,527	-	-	272,510	285,527
Segment liabilities	163,604	194,048	-	-	163,604	194,048
Investments accounted for using the equity method	47,006	52,734	237,286	222,073	284,292	274,807
Depreciation and amortisation	13,428	12,632	-	-	13,428	12,632
Impairment charge on investment in associates	10,271	9,700	-	-	10,271	9,700

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015
CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES**

10. Contingent liability

Financial Guarantee

Company policy is to provide financial guarantees only to wholly-owned subsidiaries and associates. An associate of the Company (ComfortDelGro Cabcharge Pty Ltd) has a secured loan facility of \$8.3 million provided by an unrelated financial institution. The Company has guaranteed the loan to the extent of its 49% ownership interest in the associate. The fair value of the financial guarantee contract is estimated to be zero based on the Directors' assessment of the probability of a default event.

Audit

This report is based on accounts which are in the process of being audited.

Dated at Sydney this 21st day of August 2015