

**FOR THE YEAR ENDED 30 JUNE 2014**  
**CABCHARGE AUSTRALIA LIMITED**  
ABN 99 001 958 390

**APPENDIX 4E**

Preliminary Final Report  
Financial year ended 30 June 2014

**Results for announcement to the market**

*Extracts from this report for announcement to the market*

**\$A'000**

Revenues	<b>Up</b>	<b>0.3%</b>	to	<b>197,253</b>
Statutory net profit after tax attributable to members	<b>Down</b>	<b>-7.4%</b>	to	<b>56,119</b>
<b>Dividends (distributions)</b>			Amount per share	Franked amount per share
Final dividend	(Current period)		10.0 ¢	10.0 ¢
	(Previous period)		12.0 ¢	12.0 ¢
Interim dividend	(Current period)		15.0 ¢	15.0 ¢
	(Previous period)		18.0 ¢	18.0 ¢

Record date for determining entitlements to the dividend

**30 September 2014**

Date the final dividend is payable

**29 October 2014**



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Chip Beng Yeoh  
Chief Financial Officer

Date: 21 August 2014

## 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. The company also operates in the provision of taxi related services in the UK through an equity accounted associate, CityFleet Networks Ltd (“CFN”). Another 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.

During the year, laws introduced in Victoria to limit the service fee on taxi payments to 5% came into effect from 1 February 2014. We have implemented the necessary changes and are compliant with the laws in that jurisdiction.

The Company’s revenue was \$197.3 million, an increase of \$0.7 million or 0.3% over the previous year’s \$196.6 million. Growth in Members Taxi Related Services revenue came from more taxis joining our taxi networks in Sydney, Melbourne and Adelaide. Revenue from Taxi Service Fee Income was lower than the previous year due to the introduction of a cap on service fee in Victoria.

Post the introduction of the 5% cap on service fee, turnover through the Cabcharge payment system in Victoria has increased by approximately \$30 million or 31% over the same period last year. The combination of increased turnover and the cap on service fee has resulted in taxi service fee income lowering by approximately \$4.5 million in Victoria.

The 1.9% increase in the Company’s operating expenses compared to the previous year was in line with business activities. Processing fees paid to taxi networks were higher due to an increase in payments turnover. Costs of Members Taxi Related Services were higher due to more taxis joining our networks in Sydney, Melbourne and Adelaide. Employee benefit expenses were higher as a result of an increase in activity at the Company’s taxi networks.

The equity accounted net profit contribution from our Associates, CDC and CFN, for the year grew to \$20.6 million, an increase of \$0.2 million or 1% compared to \$20.4 million in FY13. CDC’s equity accounted net profit contribution for FY14 was relatively unchanged at \$18.9 million, due to its loss of the bus contracts in Regions 1 and 3 in Sydney in October 2013, offset by the contributions of Deane’s of Queanbeyan which was acquired in September 2012, the route business of Driver Group in Melbourne which was acquired in July 2013 and an increase in services of existing business. CFN’s equity accounted net profit contribution for FY14 was \$1.7 million, an increase of \$0.2m or 16% over FY13, due to effective cost management and the impact of a favourable currency translation difference.

The Company’s net profit after tax was \$56.1 million, a decline of \$4.5 million or 7.4% from the previous year of \$60.6 million. The 2014 result for the year includes a \$9.7 million impairment charge in relation to our investment in CFN (FY13: \$5.7 million). It was necessary to make further provision for impairment in relation to our investment in CFN as its current growth outlook is below our previous expectations.

The Company's net assets as at 30 June 2014 increased to \$366.3 million from \$339.1 million. This is consistent with and largely due to the current year's net profit after tax earned less dividends paid during the year.

During the year, management was focussed on bringing the total borrowings down. Total borrowings at 30 June 2014 was \$159.1 million, a reduction of \$38.3 million from a year ago of \$197.4 million. The Company has benefited from lower net interest expense of \$6.3 million compared to \$7.5 million in 2013. This was also reflected in the lower net debt to equity ratio of 32% at 30 June 2014 compared to 45.3% a year ago. The available liquidity at 30 June 2014 was \$92.9 million (2013: \$51.4 million), consisting of \$41.9 million in cash (2013: \$43.9 million) and \$51 million (2013: \$7.5 million) in unused facilities.

The Company's balance sheet remains strong. The Company continues to operate within its banking covenants. During the year, the Company renegotiated a new long term banking facility with its bankers. The new banking facility expires on 1 July 2017.

The operating cash flow for the year was \$57.8 million, compared to \$70.4 million for 2013, due to the timing of year-end payments to taxi networks. Cash conversion was 69%. Adjusting for the timing of year-end payments, cash conversion continued to be strong at 84% (FY13: 82%).

Ahead of management's new business strategy, the Board is maintaining a prudent approach to financial management. The fully franked dividend for 2H14 will be 10 cents, with a record date of 30 September 2014 and a payment date of 29 October 2014. This brings the full year dividend for FY14 to 25 cents, fully franked, compared to 30 cents in FY13.

## Outlook

The Industries in which we operate have become increasingly competitive over recent years. Our businesses have withstood the tests of increased competition and achieved strong results, trading profitably throughout FY14. We intend to 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 can continue to be a leading provider of taxi related services and trade profitably into the future. Where opportunity arises, we will seek to offer our services to other taxi networks.

In the months ahead, we will offer the *FAREWAYplus* product to taxis around Australia to 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.

The limit on service fees in Victoria is expected to continue to impact upon us. New South Wales and Western Australia have indicated an intention to implement a limit on service fees, although we have yet to be informed of a start date. Our technical competence in payments will enable us to continue to provide payment services in a profitable manner into the future.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2014  
CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES**

<i>in thousands of AUD</i>	<b>Notes</b>	<b>2014</b>	<b>2013</b>
Revenue	2	197,253	196,598
Other income		35	29
Processing fees to taxi networks		(18,689)	(17,861)
Costs of members taxi related services		(36,407)	(35,406)
Employee benefits expenses		(37,251)	(35,888)
Administration expenses		(12,651)	(13,843)
Transaction processing expenses		(3,821)	(3,203)
Depreciation and amortisation	3	(12,632)	(12,855)
Impairment charge on investments in associates		(9,700)	(5,656)
Other expenses		(4,959)	(4,966)
<b>Results from operating activities</b>		<b>61,178</b>	<b>66,949</b>
Finance income		1,593	1,854
Finance costs		(7,857)	(9,396)
<b>Net finance costs</b>		<b>(6,264)</b>	<b>(7,542)</b>
Share of profit of equity accounted investees (net of income tax)		20,654	20,415
<b>Profit before income tax</b>		<b>75,568</b>	<b>79,822</b>
Income tax expense		(19,449)	(19,229)
<b>Profit for the year attributable to owners of the Company</b>		<b>56,119</b>	<b>60,593</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Share of other comprehensive income of associates, net of tax		3,186	8
Effective portion of change in fair value of cash flow hedge		(634)	823
Net change in fair value of available-for-sale financial assets		1,157	767
Income tax on other comprehensive income		(157)	(477)
<b>Other comprehensive income for the year, net of income tax</b>		<b>3,552</b>	<b>1,121</b>
<b>Total comprehensive income for the year attributable to owners of the Company</b>		<b>59,671</b>	<b>61,714</b>
<b>Earnings per share</b>			
Basic earnings per share (AUD)		46.6 cents	50.3 cents
Diluted earnings per share (AUD)		46.6 cents	50.3 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 2014**  
**CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES**

<i>in thousands of AUD</i>	Notes	2014	2013
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	41,856	43,915
Trade and other receivables		64,669	64,582
Advances to associates		-	17,977
Other current assets		2,953	4,018
Inventories		2,922	2,924
<b>TOTAL CURRENT ASSETS</b>		<b>112,400</b>	<b>133,416</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables		8,819	10,204
Financial assets		6,260	5,103
Advances to associates		18,812	18,605
Investments in associates accounted for using the equity method	7	274,807	261,564
Property, plant and equipment		38,265	43,807
Deferred tax assets		4,351	4,370
Taxi plate licences		71,383	71,775
Goodwill		15,032	15,032
Intellectual property		9,617	9,260
<b>TOTAL NON-CURRENT ASSETS</b>		<b>447,346</b>	<b>439,720</b>
<b>TOTAL ASSETS</b>		<b>559,746</b>	<b>573,136</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		21,747	24,335
Loans and borrowings		10,065	14,905
Interest rate swaps		894	260
Current tax liabilities		6,319	5,885
Employee benefits		4,596	5,217
<b>TOTAL CURRENT LIABILITIES</b>		<b>43,621</b>	<b>50,602</b>
<b>NON-CURRENT LIABILITIES</b>			
Loans and borrowings		149,000	182,500
Employee benefits		839	903
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>149,839</b>	<b>183,403</b>
<b>TOTAL LIABILITIES</b>		<b>193,460</b>	<b>234,005</b>
<b>NET ASSETS</b>		<b>366,286</b>	<b>339,131</b>
<b>EQUITY</b>			
Share capital		138,325	138,325
Reserves		(3,519)	(7,071)
Retained earnings		231,480	207,877
<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF CABCHARGE AUSTRALIA LIMITED</b>		<b>366,286</b>	<b>339,131</b>

\*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 2014**  
**CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES**

<i>in thousands of AUD</i>	<b>Notes</b>	<b>2014</b>	<b>2013</b>
<b>Cash Flows from Operating Activities</b>			
Receipts from customers and others		1,249,132	1,194,978
Payments to suppliers, licensees and employees		(1,166,938)	(1,099,042)
Dividends received		1,172	308
Interest received		1,394	957
Finance costs paid		(7,334)	(8,560)
Income tax paid		(19,579)	(18,286)
<b>Net Cash provided by Operating Activities</b>		<b><u>57,847</u></b>	<b><u>70,355</u></b>
<b>Cash Flows from Investing Activities</b>			
Purchase of property, plant and equipment		(3,954)	(6,704)
Payments of development of intellectual property		(2,816)	(2,130)
Acquisition of subsidiary and other business assets		-	(6,392)
Purchase of taxi licence plates		(392)	(7,678)
Repayment from / (advances to) associates		17,970	(17,970)
Investment in associates		-	(25,970)
Proceeds from sale of property, plant and equipment		142	584
<b>Net Cash provided by (used in) Investing Activities</b>		<b><u>10,950</u></b>	<b><u>(66,260)</u></b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from borrowings		39,511	55,764
Repayment of borrowings		(77,851)	(23,750)
Dividends paid		(32,516)	(43,356)
<b>Net Cash (used in) Financing Activities</b>		<b><u>(70,856)</u></b>	<b><u>(11,342)</u></b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b><u>(2,059)</u></b>	<b><u>(7,247)</u></b>
Cash and cash equivalents at 1 July		43,915	51,162
<b>Cash and cash equivalents at 30 June</b>	<b>6</b>	<b><u>41,856</u></b>	<b><u>43,915</u></b>

\*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 2014  
CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES**

<i>in thousands of AUD</i>	Share Capital	Reserves	Retained Profits	Total Equity
<b>Balance at 1 July 2012</b>	<b>138,325</b>	<b>(8,192)</b>	<b>190,640</b>	<b>320,773</b>
<b>Total comprehensive income for the year</b>				
Profit for the year	-	-	60,593	60,593
<i>Other comprehensive income</i>				
Share of associates' foreign exchange translation differences, net of tax	-	8	-	8
Effective portion of change in fair value of cash flow hedge, net of tax	-	576	-	576
Net change in fair value of available-for-sale financial assets, net of tax	-	537	-	537
Total other comprehensive income	-	1,121	-	1,121
Total comprehensive income for the year	-	1,121	60,593	61,714
<b>Transactions with owners, recorded directly in equity</b>				
<i>Contributions by and distributions to owners</i>				
Dividends to equity holders	-	-	(43,356)	(43,356)
Total contributions by and distributions to owners	-	-	(43,356)	(43,356)
Total transactions with owners	-	-	(43,356)	(43,356)
<b>Balance at 30 June 2013</b>	<b>138,325</b>	<b>(7,071)</b>	<b>207,877</b>	<b>339,131</b>
<b>Balance at 1 July 2013</b>	<b>138,325</b>	<b>(7,071)</b>	<b>207,877</b>	<b>339,131</b>
<b>Total comprehensive income for the year</b>				
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
<b>Transactions with owners, recorded directly in equity</b>				
<i>Contributions by and distributions to owners</i>				
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)
<b>Balance at 30 June 2014</b>	<b>138,325</b>	<b>(3,519)</b>	<b>231,480</b>	<b>366,286</b>

\*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 2014  
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 13 Fair Value Measurement

This standard has not affected the Group's accounting policies and there has been no significant impact on the measurement of the Group's assets and liabilities.

- AASB 119 Employee Benefits (2011)

There were no material changes from this revision.

- AASB 10 Consolidated Financial Statements, AASB 11 Joint arrangements and AASB 12 Disclosure of Interests in Other Entities (the consolidation suite of standards)

The investments in associates continue to be accounted for under the equity method and there has been no impact on the recognised assets, liabilities and comprehensive income of the Group.

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 2014 while the prior year is the year ended 30 June 2013.

**2. Revenue and income**

**From operating activities**

	<b>2014</b>	<b>2013</b>
	<b>\$A'000</b>	<b>\$A'000</b>
Taxi service fee income	89,513	90,711
Members taxi related services	96,567	92,312
Dividends received		
- Non-related corporations	275	308
Rental revenue	189	192
Other revenue	10,709	13,075
<b>Total revenue</b>	<b>197,253</b>	<b>196,598</b>

**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.

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).

	<b>2014</b>	<b>2013</b>
	<b>\$A'000</b>	<b>\$A'000</b>
<b>Total Turnover</b>	<b>1,228,066</b>	<b>1,165,612</b>



**NOTES TO THE PRELIMINARY FINAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2014  
CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES**

	2014 \$A'000	2013 \$A'000		
<b>3. Depreciation and amortisation</b>				
Depreciation of non-current assets	9,389	9,173		
Amortisation of Intangibles	3,243	3,682		
<b>Total depreciation and amortisation</b>	<b>12,632</b>	<b>12,855</b>		
<b>4. Dividends</b>				
The following fully franked dividends were paid, franked at tax rate of 30%.				
2014 year interim - 15.0 cents	18,064	-		
2013 year final - 12.0 cents	14,452	-		
2013 year interim - 18.0 cents	-	21,678		
2012 year final - 18.0 cents	-	21,678		
	<b>32,516</b>	<b>43,356</b>		
<b>Payable</b>				
2014 final fully franked ordinary dividend of 10 cents per share payable in 2015 financial year (scheduled to be paid on 29 October 2014).				
<b>Cents per share</b>	<b>2014</b>	<b>2013</b>		
	<b>(cents)</b>	<b>(cents)</b>		
Interim paid	15.00	18.00		
Final proposed	10.00	12.00		
<b>Total</b>	<b>25.00</b>	<b>30.00</b>		
<b>5. Net Assets per share (excluding goodwill)</b>	<b>\$2.92</b>	<b>\$2.69</b>		
<b>6. Notes to the Cashflow</b>				
<b>Cash comprises</b>	<b>\$A'000</b>	<b>\$A'000</b>		
Cash on hand and at bank	16,587	15,091		
Money market deposits	25,269	28,824		
<b>Balance per consolidated statements of cash flows</b>	<b>41,856</b>	<b>43,915</b>		
<b>7. Associate Companies</b>				
<b>(i) Composition</b>				
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>%</b>	<b>%</b>	<b>\$A'000</b>	<b>\$A'000</b>
ComfortDelGro Cabcharge Pty Ltd, Australia	49	49	222,073	203,133
CityFleet Networks Ltd, United Kingdom	49	49	52,734	58,431
			<b>274,807</b>	<b>261,564</b>

Reporting Period for these associate companies is 31 December.

**NOTES TO THE PRELIMINARY FINAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2014  
CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES**

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

	2014 \$A'000	2013 \$A'000
<b>Balance at beginning of the period</b>	<b>261,564</b>	<b>220,827</b>
Share of associated companies profit after income tax		
- ComfortDelGro Cabcharge Pty Ltd	18,940	18,943
- CityFleet Networks Ltd	1,714	1,472
Additional investments during the year		
- ComfortDelGro Cabcharge Pty Ltd	-	25,970
Foreign exchange translation differences		
- CityFleet Networks Ltd	3,186	8
Dividend received		
- CityFleet Networks Ltd	(897)	-
Impairment		
- CityFleet Networks Ltd	(9,700)	(5,656)
<b>Balance at end of the period</b>	<b>274,807</b>	<b>261,564</b>

**(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 business conditions in the United Kingdom continue to be challenging for taxis. The Group has assessed the recoverable amount of the investment in CityFleet Networks Ltd at 30 June 2014. 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 \$9,700,000 (FY13: \$5,656,000). 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 1.8% (FY13: 3%) on the base year profit before tax forecast for FY15 of GBP2.5m (FY14: GBP2.7m), a long-term growth rate of 2.3% into perpetuity (FY13: 2.75%), and a pre-tax discount rate of 7.3% (FY13: 7.2%). 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 2014. The record date to determine entitlement to dividend is 30 September 2014.

**Advance to associate**

Subsequent to balance date, the Company has committed to advance to its associate, ComfortDelGro Cabcharge Pty Limited (CDC), \$13m to fund its acquisition of the assets of the Blue Mountains Bus Company. The funds can be repaid in tranches, on dates mutually agreed by the CDC and its shareholders, and in any case within 12 months from the start date of the loan.

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 2014.

**NOTES TO THE PRELIMINARY FINAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2014  
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	
	2014 \$A'000	2013 \$A'000	2014 \$A'000	2013 \$A'000	2014 \$A'000	2013 \$A'000
<b>Revenue</b>						
External revenue	197,253	196,598	-	-	197,253	196,598
<b>Result</b>						
Reported result	61,178	66,949	-	-	61,178	66,949
Share of profit of associates	1,714	1,472	18,940	18,943	20,654	20,415
Segment result	62,892	68,421	18,940	18,943	81,832	87,364
Net finance costs					(6,264)	(7,542)
Income tax expense					(19,449)	(19,229)
Profit for the year					56,119	60,593
<b>Other disclosures</b>						
Segment assets, excluding investments accounted for using the equity method	284,939	311,572	-	-	284,939	311,572
Segment liabilities	193,460	234,005	-	-	193,460	234,005
Investments accounted for using the equity method	52,734	58,431	222,073	203,133	274,807	261,564
Depreciation and amortisation	12,632	12,855	-	-	12,632	12,855
Impairment charge on investment in associates	9,700	5,656	-	-	9,700	5,656

**NOTES TO THE PRELIMINARY FINAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2014  
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 \$9.45 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 2014