

## CABCHARGE AUSTRALIA LIMITED

ABN 99 001 958 390

### APPENDIX 4D

Half Yearly Report  
Period Ended 31 December 2016

#### Results for announcement to the market

*Extracts from this report for announcement to the market*

**\$'000**

Revenue	<b>Down</b>	<b>10.7%</b>	to	<b>79,057</b>
(Loss) / Profit for the period attributable to owners of the Company	<b>Down</b>	<b>537.1%</b>	to	<b>(106,750)</b>
<b>From continuing operations:</b>				
Revenue from continuing operations	<b>Down</b>	<b>10.7%</b>	to	<b>79,057</b>
(Loss) / Profit for the period from continuing operations attributable to owners of the Company	<b>Down</b>	<b>211.8%</b>	to	<b>(18,193)</b>
<b>Dividends (distributions)</b>		Amount per share		Franked amount per share
Interim dividend	(Current period)	10¢		10¢
	(Previous period)	10¢		10¢
Special dividend	(Current period)	80¢		80¢
	(Previous period)	-		-
	Record date for determining entitlements to the dividend	Date the dividend is payable		
Interim dividend	31 March 2017	28 April 2017		
Special dividend	31 March 2017	28 April 2017		
<b>Commentary on the results for the period</b>				
Please refer to the 'Review of Operations' in the Directors' Report accompanying the attached Half Yearly Report for the six month ended 31 December 2016.				
This information should be read in conjunction with the Consolidated Financial Statements of the Cabcharge Group for the year ended 30 June 2016. This report should also be read in conjunction with any public announcements made by Cabcharge in accordance with the continuous disclosure requirements arising under the Corporation Act 2001 and ASX Listing Rules.				
		<b>Dec 2016</b>	<b>Dec 2015</b>	
		\$	\$	
<b>Net tangible assets per security</b>		<b>1.75</b>	<b>2.66</b>	
Dividends paid/declared	Date paid or scheduled		Paid or scheduled \$'000	
2017 year interim - 10 cents per share	28 April 2017		12,043	
2017 year special - 80 cents per share	28 April 2017		96,345	
2016 year final - 10 cents per share	31 October 2016		12,043	
2016 year interim - 10 cents per share	29 April 2016		12,043	
2015 year final - 10 cents per share	29 October 2015		12,043	

Details of associate	Ownership Interest		Share of profit of equity accounted	
	Dec 2016 %	Dec 2015 %	Dec 2016 \$'000	Dec 2015 \$'000
Name of associate				
CityFleet Networks Ltd, United Kingdom	49	49	(719)	127
<b>Sale of associate</b>				
On 21 December 2016 the Company entered into an agreement to sell its investment in Comfort DelGro Cabcharge Pty Ltd.				
Please refer to note 5 to the Half Yearly Financial Statements for six month ended 31 December 2016.				



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Sheila Lines  
Chief Financial Officer

Date: 24th day of February 2017



**Consolidated Half Yearly Financial Statements  
31 December 2016**

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

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## **CABCHARGE AUSTRALIA LIMITED**

### **CONSOLIDATED HALF YEARLY FINANCIAL STATEMENTS - 31 DECEMBER 2016**

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## DIRECTORS' REPORT

The Directors of Cabcharge Australia Limited present their half yearly report on the Company and its controlled entities for the half year ended 31 December 2016 and the review report thereon.

### Directors

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

Richard Millen (Chairman)

Andrew Skelton (Managing Director & CEO)

Donnald McMichael

Trudy Vonhoff

Russell Balding, AO (Chairman) - resigned 24 November 2016

Stephen Stanley - resigned 23 November 2016

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

### Review of Operations

	31 Dec 16	31 Dec 15	Change %
Revenue from continuing operations (\$m)	79.1	88.6	-10.7%
Profit (loss) after tax from continuing operations (\$m)	-18.2	16.3	-211.8%
Profit (loss) after tax attributable to owners of the Company (\$m)	-106.8	24.4	-537.7%
Earnings per share from continuing operations (cents)	-15.1	13.5	-211.8%
Earnings per share attributable to owners of the Company (cents)	-88.6	20.3	-537.1%

For the six months ended 31 December 2016, Cabcharge reported a decrease in revenues of \$9.5 million or 10.7% to \$79.1 million (1H16: \$88.6 million).

Taxi service fee income decreased \$4.1 million or 12.4% to \$28.8 million (1H16: \$32.9 million) primarily due to lower volumes in taxi fares processed and also due to the impact of laws introduced 1H17 in the Northern Territory and the Australian Capital Territory to limit service fee on non-cash taxi payments to 5%. Brokered taxi plate licence income decreased \$2.1 million or 16.1% to \$10.6 million (1H16: \$12.7 million) and owned taxi plate licence income decreased \$1 million or 26.1% to \$2.7 million (1H16: \$3.7 million) due to lower taxi plate lease rates.

Excluding non-cash impairment charges and capitalised development costs written-off, operating expenses decreased \$7.4 million or 11.1% to \$59.2 million (1H16: \$66.5 million).

Brokered taxi plate licence costs decreased \$1.8 million or 15.5% to \$10.1 million (1H16 \$11.9 million) reflecting the lower Brokered taxi plate licence income.

Employee benefit expenses decreased \$1.57 million or 7.3% to \$19.9 million (1H16: \$21.4 million).

Non-cash Impairment charges on taxi plate licenses, the investment in the Cityfleet Networks Associate and a trade mark totalled \$28.5 million (1H16: nil)

Results from operating activities reduced by \$31.7 million or 143.9% to -\$9.7 million (1H16: \$22 million), mainly due to the impairment charges.

Finance income reduced by \$4.6 million or 92.4% to \$0.4 million (1H16: \$5 million), due to the gain on disposal of available-for-sale financial assets of \$4.5 million in 1H16.

Cabcharge's net profit after tax from continuing operations decreased by \$34.5 million or 211.8% to -\$18.2 million (1H: \$16.3 million), mainly due to the impairment charges of \$28.5 million.

The loss from discontinued operations net of tax was \$88.6 million (1H16: \$8.1 million profit). This loss primarily arose on the restatement of the carrying value of the associate interest in ComfortDelGro Cabcharge to a realisable value on available for sale basis and the associated capital gains tax payable on the transaction. The transaction completed on 15 February 2017.

Cabcharge's total borrowings as at 31 December 2016 are \$100.7 million, \$9 million lower than at 30 June 2016 (\$109.7 million). Net debt at 31 December 2016 is \$80 million, \$16.6 million lower than at 30 June 2016 (\$96.6 million).

Cabcharge's net assets at 31 December 2016 were \$270.8 million (1H16: \$388.9 million).

## **Events subsequent to balance date**

### ***CDC sale and repayment of advances to associate***

On 15 February 2017 the Company received the funds from CDC sale of \$186 million and repayment of advances to associate of \$18.8 million. Financial guarantee provided to CDC was cancelled on 15 February 2017.

### ***Bank Facility***

The Company has reduced its finance facility limits from \$160 million to \$100 million reflecting the sale of CDC and repayment of advances to associate and also recognising the commitment cost of unutilised lines of credit.

### ***Sale of Newcastle business premises***

On 23 February 2017 the Company entered into an agreement to sell a property in Newcastle for \$3 million. The Company expects to recognise a \$1.7 million pre-tax gain on sale of the property.

### ***Acquisition of Yellow Cabs Queensland***

On 24 February 2017 the Company entered into an agreement to acquire the business operations trading as Yellow Cabs Queensland for \$20 million. The agreement is subject to completion conditions including receipt of written confirmation from the Australian Competition and Consumer Commission that it does not intend to oppose the proposed transaction.

The Yellow Cabs operations are expected to contribute revenue of approximately \$40 million and EBITDA of \$3.5-4 million per annum.

### ***Dividend***

The Directors have declared an interim dividend of 10 cents per share (fully franked) and special dividend of 80 cents (fully franked) which are scheduled to be paid on 28 April 2017. The record date to determine entitlement to interim and special dividend is 31 March 2017.

Other than the matters above, no matters or circumstances have arisen since 31 December 2016 that has significantly affected or may significantly affect the Group's operations in future financial periods, or the results of those operations in future financial periods, or the Group's state of affairs in future financial periods.

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

The lead auditor's independence declaration is set out on page 3 and forms part of the directors' report for the half year ended 31 December 2016.

## Rounding

The company is of a kind referred to in ASIC Corporations Instrument 2016/191 (Rounding in Financial/Directors' Reports) and in accordance with that Instrument, amounts in the consolidated interim financial statements and the directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Board of Directors



**Richard Millen**

Director



**Andrew Skelton**

Director

Dated at Sydney this 24th day of February 2017



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

To: the directors of Cabcharge Australia Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2016 there have been:

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

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KPMG

KPMG

A handwritten signature in blue ink that reads 'Julie Cleary'.

Julie Cleary

*Partner*

Sydney

24 February 2017



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2016**  
**CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES**

<i>in thousands of AUD</i>	<b>Note</b>	<b>Dec 2016</b>	<b>Dec 2015</b>
Revenue	2	79,057	88,553
Other income	2	5	-
Processing fees to taxi networks		(4,578)	(5,196)
Brokered taxi plate licence costs		(10,062)	(11,909)
Other taxi related costs		(1,194)	(2,335)
Employee benefits expenses		(19,877)	(21,447)
General and administrative expenses		(10,238)	(10,849)
Transaction processing expenses		(2,252)	(2,497)
Depreciation and amortisation		(7,481)	(8,608)
Impairment charges		(28,477)	-
Capitalised development costs written-off		(1,102)	-
Other expenses		(3,473)	(3,696)
<b>Results from operating activities</b>		<b>(9,672)</b>	<b>22,016</b>
Finance income	2	382	5,034
Finance costs		(2,235)	(3,052)
<b>Net finance (costs) / income</b>		<b>(1,853)</b>	<b>1,982</b>
Share of (loss) / profit of equity accounted investees (net of tax)	3	(719)	127
<b>(Loss) / Profit before income tax</b>		<b>(12,244)</b>	<b>24,125</b>
Income tax expense	4	(5,949)	(7,848)
<b>(Loss) / Profit after tax from continuing operations</b>		<b>(18,193)</b>	<b>16,277</b>
<b>Discontinued operation</b>			
(Loss) / Profit from discontinued operation, net of tax	5	(88,557)	8,146
<b>(Loss) / Profit for the period attributable to owners of the Company</b>		<b>(106,750)</b>	<b>24,423</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Share of other comprehensive (loss) / income of associates, net of tax		(240)	(206)
Change in fair value of cash flow hedge		1,324	437
Net change in fair value of available-for-sale financial assets transferred to profit or loss		-	(4,731)
Income tax on other comprehensive income		(397)	1,288
<b>Other comprehensive (loss) / income for the period, net of income tax</b>		<b>687</b>	<b>(3,212)</b>
<b>Total comprehensive (loss) / income for the period attributable to owners of the Company</b>		<b>(106,063)</b>	<b>21,211</b>
<b>Earnings per share</b>			
<b>From continuing operations:</b>			
Basic earnings per share (AUD)		-15.1 cents	13.5 cents
Diluted earnings per share (AUD)		-15.1 cents	13.5 cents
<b>Total attributable to owners of the Company:</b>			
Basic earnings per share (AUD)		-88.6 cents	20.3 cents
Diluted earnings per share (AUD)		-88.6 cents	20.3 cents

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016**

**CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES**

<i>in thousands of AUD</i>	<b>Note</b>	<b>Dec 2016</b>	<b>Jun 2016</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		20,676	13,039
Trade and other receivables		65,847	78,477
Investments in associate - Held-for-sale	3	183,980	-
Advances to associates	3 (iii)	18,812	-
Interest rate swaps		1,201	-
Other current assets		2,957	1,321
Inventories		1,445	2,808
<b>TOTAL CURRENT ASSETS</b>		<b>294,918</b>	<b>95,645</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables		3,513	4,198
Financial assets		1,839	1,839
Advances to associates	3 (iii)	-	18,812
Investments in associates accounted for using the equity method	3	21,714	296,593
Property, plant and equipment		37,068	40,233
Deferred tax assets		4,422	4,819
Taxi plate licences	6	33,271	41,241
Goodwill	6	15,207	15,249
Intellectual property	6	11,360	11,981
<b>TOTAL NON-CURRENT ASSETS</b>		<b>128,394</b>	<b>434,965</b>
<b>TOTAL ASSETS</b>		<b>423,312</b>	<b>530,610</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		27,187	23,126
Loans and borrowings		3,691	3,663
Interest rate swaps		-	123
Current tax liabilities		646	4,051
Deferred tax liabilities		18,817	-
Employee benefits		4,470	4,095
<b>TOTAL CURRENT LIABILITIES</b>		<b>54,811</b>	<b>35,058</b>
<b>NON-CURRENT LIABILITIES</b>			
Loans and borrowings		97,000	106,000
Employee benefits		695	640
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>97,695</b>	<b>106,640</b>
<b>TOTAL LIABILITIES</b>		<b>152,506</b>	<b>141,698</b>
<b>NET ASSETS</b>		<b>270,806</b>	<b>388,912</b>
<b>EQUITY</b>			
Share capital		138,325	138,325
Reserves		(4,198)	(4,885)
Retained earnings		136,679	255,472
<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF CABCHARGE AUSTRALIA LTD</b>		<b>270,806</b>	<b>388,912</b>

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2016**  
**CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES**

*in thousands of AUD*

	Note	Dec 2016	Dec 2015
<b>Cash Flows from Operating Activities</b>			
Receipts from customers and others		615,185	679,856
Payments to suppliers, licensees and employees		(588,641)	(647,571)
Dividends received		10	83
Interest received		382	541
Finance costs paid		(1,938)	(2,910)
Income tax paid		(5,301)	(8,567)
<b>Net Cash provided by operating activities</b>		<b>19,697</b>	<b>21,432</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of property, plant and equipment		(3,471)	(7,066)
Payments for development of intellectual property		(1,590)	(1,559)
Acquisition of business assets, net of cash acquired		-	(1,932)
Proceeds from sale of property, plant and equipment, net of tax		14,016	6
Proceeds from sale of investments		-	5,834
<b>Net Cash provided by (used in) investing activities</b>		<b>8,955</b>	<b>(4,717)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from borrowings		9,510	11,308
Repayment of borrowings		(18,482)	(19,144)
Dividends paid		(12,043)	(12,043)
<b>Net Cash (used in) financing activities</b>		<b>(21,015)</b>	<b>(19,879)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>7,637</b>	<b>(3,164)</b>
Cash and cash equivalents at the beginning of the period		13,039	23,856
<b>Cash and cash equivalents at the end of the period</b>		<b>20,676</b>	<b>20,692</b>

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES

<i>in thousands of AUD</i>	Share capital	Reserve	Retained earnings	Total equity
<b>Balance at 1 July 2015</b>	<b>138,325</b>	<b>768</b>	<b>253,942</b>	<b>393,035</b>
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	24,423	24,423
<i>Other comprehensive income</i>				
Share of associates' foreign currency translation differences, net of tax	-	(206)	-	(206)
Change in fair value of cash flow hedge, net of tax	-	306	-	306
Net change in fair value of available-for-sale financial assets transferred to profit or loss, net of tax	-	(3,312)	-	(3,312)
Total other comprehensive income	-	(3,212)	-	(3,212)
Total comprehensive income for the period	-	(3,212)	24,423	21,211
<b>Transactions with owners, recorded directly in equity</b>				
<i>Contributions by and distributions to owners</i>				
Dividends to equity holders	-	-	(12,043)	(12,043)
Total contributions by and distributions to owners	-	-	(12,043)	(12,043)
Total transactions with owners	-	-	(12,043)	(12,043)
<b>Balance at 31 December 2015</b>	<b>138,325</b>	<b>(2,444)</b>	<b>266,322</b>	<b>402,203</b>
<b>Balance at 1 July 2016</b>	<b>138,325</b>	<b>(4,885)</b>	<b>255,472</b>	<b>388,912</b>
<b>Total comprehensive income for the period</b>				
Profit (loss) for the period	-	-	(106,750)	(106,750)
<i>Other comprehensive income</i>				
Share of associates' foreign currency translation differences, net of tax	-	(1,154)	-	(1,154)
Share of associates' capital reserve, net of tax	-	914	-	914
Change in fair value of cash flow hedge, net of tax	-	927	-	927
Total other comprehensive income	-	687	-	687
Total comprehensive income for the period	-	687	(106,750)	(106,063)
<b>Transactions with owners, recorded directly in equity</b>				
<i>Contributions by and distributions to owners</i>				
Dividends to equity holders	-	-	(12,043)	(12,043)
Total contributions by and distributions to owners	-	-	(12,043)	(12,043)
Total transactions with owners	-	-	(12,043)	(12,043)
<b>Balance at 31 December 2016</b>	<b>138,325</b>	<b>(4,198)</b>	<b>136,679</b>	<b>270,806</b>

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

## Notes to the Consolidated Half Yearly Financial Statements FOR THE HALF YEAR ENDED 31 DECEMBER 2016

### CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES

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

##### (i) Reporting Entity

Cabcharge Australia Limited (the "Company") is a for-profit company domiciled in Australia. The consolidated half yearly financial statements of the Company as at and for the six months ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities.

##### (ii) Statement of compliance

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

The consolidated half yearly financial statements do not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2016.

These consolidated half yearly financial statements were authorised for issue by the Board of Directors on 24 February 2017.

The company is of a kind referred to in ASIC Corporations Instrument 2016/191 (Rounding in Financial/Directors' Reports) and in accordance with that Instrument, amounts in the consolidated interim financial statements and the directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

##### (iii) Significant accounting policies

The accounting policies applied by the Group in these consolidated half yearly financial statements are the same as those applied by the Group in its consolidated financial report as at and for year ended 30 June 2016.

##### (iv) Estimates

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

In preparing these consolidated half yearly financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated annual financial report as at and for the year ended 30 June 2016.

##### (iv) Change in classification

The Group modified the classification of other taxi related costs to reflect the substance of the underlying transactions. Previous corresponding period amounts in the Consolidated Statement of Comprehensive Income were restated for consistency. As a result, \$3,559,000 was reclassified from 'Other taxi related costs' to 'General and administrative expenses' in the previous corresponding period.

	Dec 2016	Dec 2015
	\$A'000	\$A'000
<b>2. Revenue and income</b>		
<b>Operating activities</b>		
Taxi service fee income	28,812	32,902
Network subscription fee income	28,262	28,707
Brokered taxi plate licence income	10,629	12,667
Owned taxi plate licence income	2,705	3,662
Other taxi related services income	2,021	3,183
Vehicle financing and insurance lease income	2,530	3,201
Other revenue	4,098	4,231
<b>Total operating revenue</b>	<b>79,057</b>	<b>88,553</b>

## Notes to the Consolidated Half Yearly Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES

	Dec 2016	Dec 2015
	\$A'000	\$A'000
<b>Non-operating activities</b>		
Gain on disposal of property, plant and equipment	5	-
<b>Total other income</b>	<b>5</b>	<b>-</b>
<b>Finance income</b>		
Gain on disposal of available-for-sale financial assets, net of tax	-	4,493
Interest income	382	541
<b>Total finance income</b>	<b>382</b>	<b>5,034</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) paid through the Cabcharge Payment System plus Cabcharge's taxi service fee plus revenue from other sources. Cabcharge's credit risk is based on turnover rather than revenue. Taxi hire charges are GST inclusive since the GST is embedded in taxis' metered fares and liability for the GST rests with the taxi driver.

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

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

	Dec 2016	Dec 2015
	\$A'000	\$A'000
<b>Total Turnover</b>	<b>591,448</b>	<b>661,470</b>

### 3. Associate Companies

#### (i) Composition

	Ownership Interest		Carrying amount of investment	
	Dec 2016	Jun 2015	Dec 2016	Jun 2016
	%	%	\$'000	\$'000
<b><u>Bus &amp; coach services</u></b>				
ComfortDelGro Cabcharge Pty Ltd, Australia (CDC) - Held-for-sale at 31 December 2016	49	49	183,980	251,786
<b><u>Taxi related services, bus &amp; coach services</u></b>				
CityFleet Networks Ltd, United Kingdom	49	49	21,714	44,807
				<u>296,593</u>

Reporting Period for these associate companies is 31 December.

## Notes to the Consolidated Half Yearly Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

### CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES

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

	Half Year Dec 2016 \$'000	Full Year Jun 2016 \$'000
<b>Balance at beginning of the period</b>		
- ComfortDelGro Cabcharge Pty Ltd	251,786	237,286
- CityFleet Networks Ltd	44,807	47,006
	<u>296,593</u>	<u>284,292</u>
Share of profit of equity accounted investees (net of income tax)		
- ComfortDelGro Cabcharge Pty Ltd	8,218	14,500
- CityFleet Networks Ltd	(719)	836
Foreign exchange translation differences		
- ComfortDelGro Cabcharge Pty Ltd	1,020	-
- CityFleet Networks Ltd	(2,174)	(3,035)
Impairment		
- CityFleet Networks Ltd	(20,200)	-
Capital Reserve		
- ComfortDelGro Cabcharge Pty Ltd	914	-
Pre-tax impairment loss on write-down to fair value less costs to sell		
- ComfortDelGro Cabcharge Pty Ltd	(77,958)	-
<b>Balance at end of the period</b>		
- ComfortDelGro Cabcharge Pty Ltd - Held-for-sale at 31 December 2016	183,980	251,786
- CityFleet Networks Ltd	21,714	44,807
		<u>296,593</u>

#### (iii) Advances to associates

On 21 December 2016 the Company reached an agreement to sell its 49% stake in CDC. When the sale concludes, CDC will repay the shareholders loan (advances to associate) to Cabcharge. Accordingly, at 31 December 2016 it was appropriate to classify the advances to associates as current assets. The Advances to associates was classified as non-current assets at 30 June 2016.

#### 4. Tax expense

Tax expense is recognised based on Management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim reporting period.

The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 31 December 2016 presents as nil (for the six month ended 31 December 2015: 32.5%). The change in effective tax rate was caused mainly by the impairment charge of \$28,477,000 in the current period.

#### 5. Discontinued operation

On 21 December 2016 the Company entered into an agreement to sell its investment in Comfort DelGro Cabcharge Pty Ltd.

The investment in ComfortDelGro Cabcharge Pty Ltd was not previously classified as held-for-sale or as a discontinued operation. The comparative consolidated statement of comprehensive income has been restated to show the discontinued operation separately from continuing operations.

#### Results of discontinued operation

*in thousands of AUD*

	Dec 2016	Dec 2015
Share of profit of discontinued operation (net of income tax)	8,218	8,146
Pre-tax impairment loss on write-down to fair value less costs to sell	(77,958)	-
Recognition of deferred tax liability	(18,817)	-
<b>(Loss) / Profit from discontinued operation, net of tax</b>	<u>(88,557)</u>	<u>8,146</u>

## Notes to the Consolidated Half Yearly Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES

<i>in thousands of AUD</i>	21-Dec-16	
<b>Reconciliation of impairment loss on write-down to fair value less costs to sell</b>		
Sale price	186,000	
Less costs to sell	(2,021)	
Net consideration	183,979	
Carrying amount of the investment, net of reserves	261,937	
<b>Total</b>	<b>(77,958)</b>	
<i>in thousands of AUD</i>	<b>Dec 2016</b>	<b>Dec 2015</b>
<b>Cash flows of discontinued operation</b>		
Cash flows from operating activities	-	-
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
<b>Net increase in cash and cash equivalents</b>	<b>-</b>	<b>-</b>
	<b>Dec 2016</b>	<b>Dec 2015</b>
<b>Earnings per share of discontinued operation</b>		
Basic earnings per share (AUD)	-73.5 cents	6.8 cents
Diluted earnings per share (AUD)	-73.5 cents	6.8 cents

### 6. Goodwill, Taxi licence plates and Intellectual Property

<b>Composition</b>	<b>Dec 2016</b>	<b>Jun 2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Goodwill	15,207	15,249
	15,207	15,249
Taxi licence plates		
- Indefinite life		
- Taxi licence plates - perpetual	29,465	37,365
- Finite life		
- Taxi licence plates - 50 year renewable	5,600	5,600
- Accumulated amortisation	(1,794)	(1,724)
- Taxi licence plates - 10 year renewable	3,319	3,319
- Accumulated amortisation	(3,319)	(3,319)
	33,271	41,241
Intellectual Property		
- Indefinite life		
- Intellectual Property trademark at cost	1,473	1,850
- Finite life		
- Customer contracts at cost	2,835	2,835
- Accumulated Amortisation	(1,150)	(895)
- Capitalised development costs at cost	27,137	26,646
- Accumulated Amortisation	(18,935)	(18,455)
	11,360	11,981



## Notes to the Consolidated Half Yearly Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

### CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES

#### Impairment considerations

##### Goodwill

Goodwill is allocated to the Group's Cash Generating Units (CGU) as set out below and assessment of the recoverable amount for each CGU has been performed on a value-in-use basis using discounted cash flow projections. To determine value-in-use, free cash flows have been projected for five years based on actual operating results for the current year plus between 0% to 2% annual growth and a long term growth rate of 2% after 5 years. A pre-tax discount rate of 12.1% was applied in determining recoverable amount. This long term growth rate reflects the general estimated long term Australian economic growth and the discount rate is based on Australian market assumptions for the risk free rate, the market risk premium, the cost of debt, the risk of the specific CGU and the beta. For the purpose of impairment testing, goodwill is allocated to groups of CGU, according to business operation and / or geography of operation, which represent the lowest level at which the goodwill is monitored for internal management purposes.

##### Taxi licence plates

After assessing the recoverable amount of indefinite life taxi plate licences based on value-in-use, using a discounted projected cash flow model, the Group determined that impairment charge of \$7,900,000 was required. In assessing the recoverable amount of such licences, the Group has applied average earning growth forecasts of between -22.8% to 2% for each of the next five years, long term growth rates of 2% into perpetuity and a pre-tax discount rate of 14.5%. This long term growth rate reflects the general estimated long term Australian economic growth and the discount rate is based on Australian market assumptions for the risk free rate, the market risk premium, the cost of debt, the beta and an additional risk weighting for these assets. A change of 100 basis points in pre-tax discount rate would result in a further impairment of \$1,884,000.

##### Trademarks and brand names

After assessing the recoverable amount of trademarks and brand names based on value-in-use, using a discounted projected cash flow model, the Group determined that impairment charge of \$377,000 was required. In assessing the recoverable amount of trademarks and brand names, the Group has applied pre-tax discount rate of 13.3%, an annual growth rate of between -0.4% to 1.1% over the next five years and long term growth rate of 1.1%.

	Dec 2016 \$'000	Dec 2015 \$'000
<b>7. Dividends Paid</b>		
The following fully franked dividends were paid, franked at the tax rate of 30%.		
2016 year final - 10.0 cents	12,043	-
2015 year final - 10.0 cents	-	12,043
	<u>12,043</u>	<u>12,043</u>

#### 8. Events Subsequent to Balance Date

##### CDC sale and repayment of advances to associate

On 15 February 2017 the Company received the funds from CDC sale of \$186 million and repayment of advances to associate of \$18.8 million. Financial guarantee provided to CDC (see note 9) was cancelled on 15 February 2017.

##### Bank Facility

The Company has reduced its finance facility limits from \$160 million to \$100 million reflecting the sale of CDC and repayment of advances to associate and also recognising the commitment cost of unutilised lines of credit.

##### Sale of Newcastle business premises

On 23 February 2017 the Company entered into an agreement to sell a property in Newcastle for \$3 million. The Company expects to recognise a \$1.7 million pre-tax gain on sale of the property.

##### Acquisition of Yellow Cabs Queensland

On 24 February 2017 the Company entered into an agreement to acquire the business operations trading as Yellow Cabs Queensland for \$20 million. The agreement is subject to completion conditions including receipt of written confirmation from the Australian Competition and Consumer Commission that it does not intend to oppose the proposed transaction.

The Yellow Cabs operations are expected to contribute revenue of approximately \$40 million and EBITDA of \$3.5-4 million per annum.

##### Dividend

The Directors have declared an interim dividend of 10 cents per share (fully franked) and special dividend of 80 cents (fully franked) which are scheduled to be paid on 28 April 2017. The record date to determine entitlement to interim and special dividend is 31 March 2017.

Other than the matters above, no matters or circumstances have arisen since 31 December 2016 that has significantly affected or may significantly affect the Group's operations in future financial periods, or the results of those operations in future financial periods, or the Group's state of affairs in future financial periods.

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

**FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

**CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES**

### **9. Contingent Liability**

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

## Notes to the Consolidated Half Yearly Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

CABCHARGE AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES

### 10. Segment information

The Group operates predominantly in one business and geographic segment being the provision of taxi related services in Australia and through an equity accounted associate in the UK. However, an associate company (held-for-sale at 31 December 2016) which is equity accounted by Cabcharge operates in a different business segment - being the provision of bus and coach services to customers predominantly in Australia.

Primary Reporting - Business Segments	Taxi related services		Bus & coach services (discontinued)		Consolidated	
	Dec 2016	Dec 2015	Dec 2016	Dec 2015	Dec 2016	Dec 2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>						
External revenue	79,057	88,553	-	-	79,057	88,553
<b>Result</b>						
Results from operating activities	(9,672)	22,016	-	-	(9,672)	22,016
(Loss) / Profit from discontinued operation, net of tax	-	-	(88,557)	8,146	(88,557)	8,146
Share of (loss) / profit of equity accounted investees (net of tax)	(719)	127	-	-	(719)	127
Segment result	(10,391)	22,143	(88,557)	8,146	(98,948)	30,289
Net finance (costs) / income					(1,853)	1,982
Income tax expense					(5,949)	(7,848)
(Loss) / Profit for the period					(106,750)	24,423
<b>Other disclosures</b>						
Segment assets, excluding investments accounted for using the equity method and investment in associate - held-for-sale	217,618	258,740	-	-	217,618	258,740
Segment liabilities	152,506	148,896	-	-	152,506	148,896
Investment in associate - held-for-sale	-	-	183,980	-	183,980	-
Other-investments accounted for using the equity method	21,714	46,926	-	245,433	21,714	292,359
Depreciation and amortisation	7,481	8,608	-	-	7,481	8,608

## Directors' Declaration

### Cabcharge Australia Limited and its controlled entities

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

- (a) the consolidated half yearly financial statements and notes set out on pages 5 to 15 are in accordance with the *Corporation Act 2001*, including:
  - (i) giving a true and fair view of the financial position of the Group as at 31 December 2016 and of its performance for the half year ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors



**Richard Millen**

Director



**Andrew Skelton**

Director

Dated at Sydney this 24th day of February 2017.



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

### **Report on the half-year financial report**

We have reviewed the accompanying half-year financial report of Cabcharge Australia Limited, which comprises the consolidated statement of financial position as at 31 December 2016, consolidated profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes 1 to 10 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

#### *Responsibility of the Directors for the half-year financial report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility for the review of the half-year financial report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Cabcharge Australia Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



*Independence*

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

*Conclusion*

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half-year on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Kpmg

KPMG

Julie Cleary

*Partner*

24 February 2017