

Calabcharge

Caring for people on the move



ANNUAL REPORT 2010

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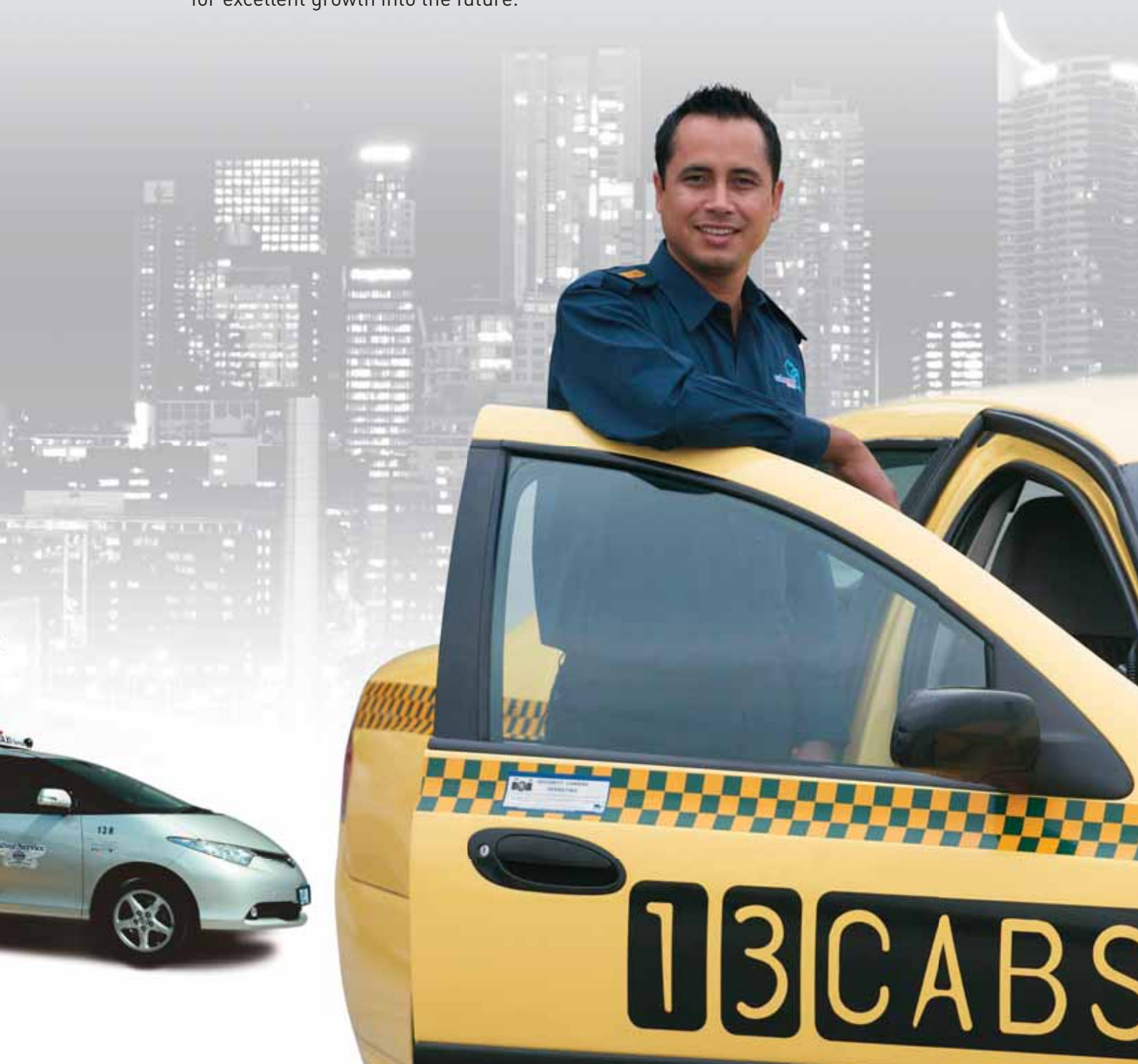
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2010 results show solid performance in difficult times. Again, the benefits of its diversification strategy are clear.

The Group is looking ahead with enthusiasm to the opportunities and challenges before us. Cabcharge intends to remain at the forefront of the Industry in setting high standards and improving customer service levels.

Cabcharge's strength as the market leader and innovator provide opportunities for excellent growth into the future.



HIGHLIGHTS



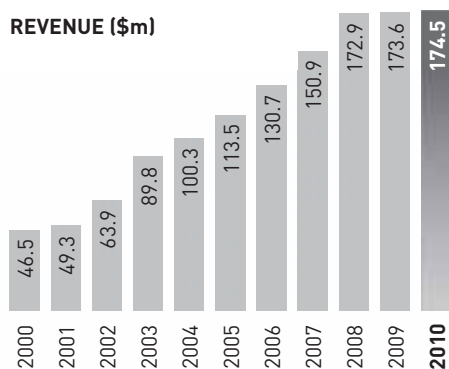
Financial

- Strong Profit result despite severe economic downturn, Net Profit after Tax \$57.6m.
- Total Revenue increased to \$174.5m.
- Dividend for 2010 maintained at 34c per share fully franked.
- Taxi services revenue increased by 4.8%.
- Successful diversification strategy – Associates now contribute 22.2% of Group Profit.

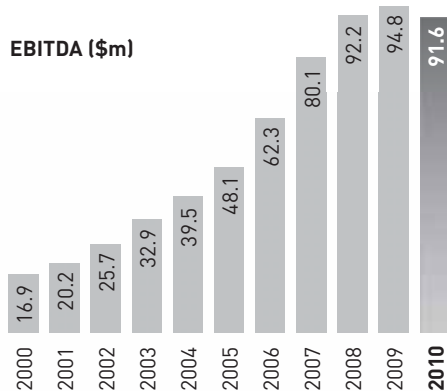
Operational

- Successful phased rollout of next generation VeriFone contactless PINpads to provide user friendly, fast, safe and secure payment system completed, in all states except Victoria.
- Won a number of contracts for the provision of software services to major banks and other major corporates through EFT Solutions.
- Successful renegotiation of service agreement with Department of Transport in Victoria to administer Multi Purpose Taxi Program.
- Strong growth in fleet numbers in New South Wales and Victoria.

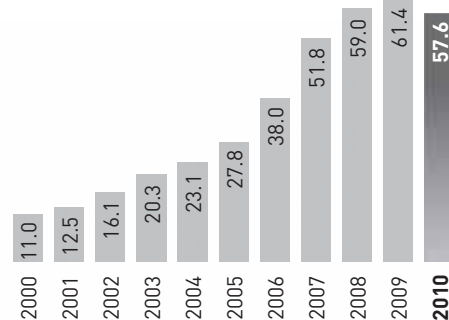
REVENUE (\$m)



EBITDA (\$m)

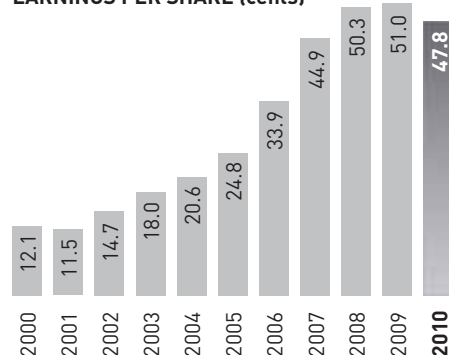


PROFIT AFTER TAX (\$m)



- Successful development and launch of new version security camera systems to meet new regulatory framework in NSW and Victoria.
- Introduction of new taxi booking applications for iPhone.
- Post balance date, successful launch of MT Data taxi dispatch system in Newcastle Taxis.
- Commenced – plan for installation of MT Data taxi dispatch system in Black Cabs Combined (13 Cabs) in Melbourne and South Western Cabs in Sydney leading to complete fit-out of the CCN Group in Sydney.

EARNINGS PER SHARE (cents)



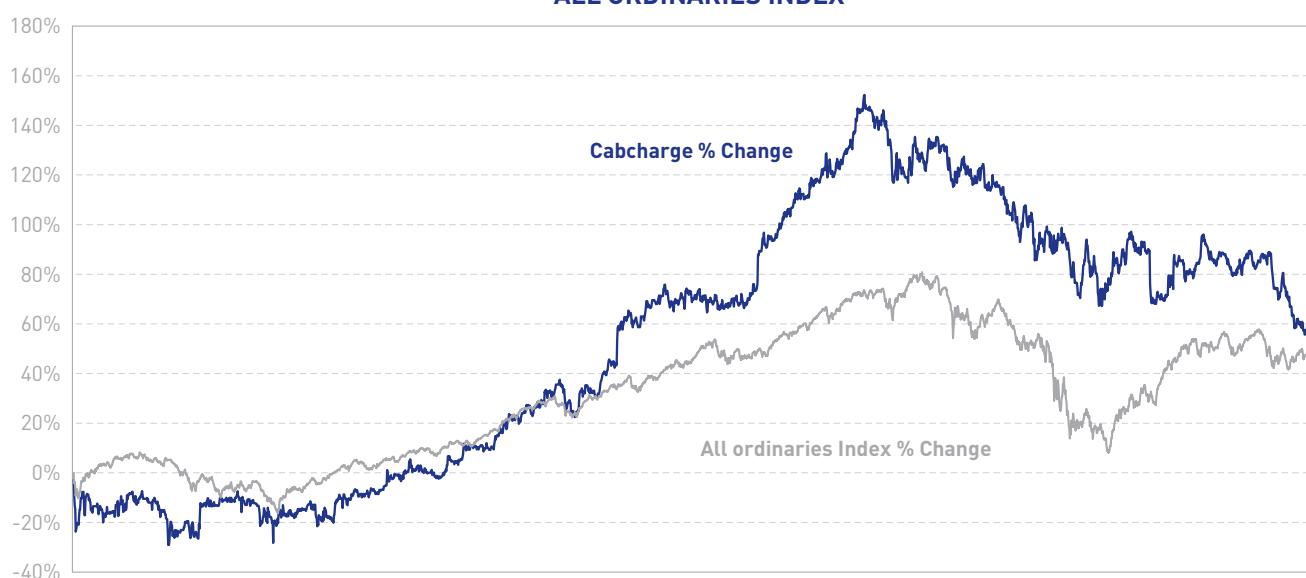
HIGHLIGHTS cont.

	2000	2001	2002	2003	2004
Financial Performance (\$m)					
Turnover	481.1	545.4	588.1	645.7	693.5
Revenue*	46.5	49.3	63.9	89.8	100.3
EBITDA**	16.9	20.2	25.7	32.9	39.5
EBIT**	14.2	17.1	21.2	26.4	30.6
Profit after tax	11.0	12.5	16.1	20.3	23.1
Financial Position (\$m)					
Total assets employed	102.9	110.4	137.8	145.8	158.4
Capital and reserves	89.3	96.0	103.5	120.6	126.7
Per share (cents)					
Earnings per share - basic	12.10	11.50	14.70	18.00	20.60
Earnings per share - diluted	12.10	11.50	14.60	18.00	20.60
Ordinary dividends per share	7.50	8.00	10.00	12.00	13.75
Net assets per share (ex goodwill)	80.4	85.8	90.4	104.6	106.2
Key ratios (%)					
Earnings per share growth	29	30	32	23	14
Return on contributed equity	16	18	22	27	32



2005	2006	2007	2008	2009	2010	CAGR [#]
779.3	883.3	1024.9	1149.7	1130.9	1095.8	9%
113.5	130.7	150.9	172.9	173.6	174.5	14%
48.1	62.3	80.1	92.2	94.8	91.6	18%
36.8	53.0	72.0	83.9	86.4	81.1	19%
27.8	38.0	51.8	59.0	61.4	57.6	18%
168.9	229.1	310.2	380.8	418.9	448.9	16%
140.0	156.7	217.6	263.4	279.7	294.9	13%
24.80	33.90	44.90	50.30	51.00	47.80	15%
24.80	33.90	44.90	50.30	51.00	47.80	15%
17.00	23.00	30.00	34.00	34.00	34.00	16%
114.7	139.1	185.0	213.1	221.3	233.9	11%
20	37	32	12	1	- 6	
38	53	46	43	44	42	

TEN YEAR SHARE PRICE PERFORMANCE VERSUS ALL ORDINARIES INDEX



Figures presented in tables and graphs for years 2005 onward are expressed on the basis of AIFRS Standards while earlier years are per previous AGAAP

[#] CAGR is Compound Annual Growth Rate over the 10 year period

* Revenue in 2009 and 2010 excludes interest income

** EBIT (Earnings Before Interest and Tax) and EBITDA (EBIT before Depreciation and Amortisation) are shown inclusive of equity accounted share of profit of associates

ABOUT CABCHARGE



Established in 1976 as a means for taxi operators and drivers to manage non-cash fares to replace the manual account systems run by most networks across Australia without any thought of reciprocity, today the Cabcharge electronic payment system is found in the majority of Australian Taxis, limousines and water taxis. This electronic payment system is also available in some fleets around the world.

In Australia, Cabcharge's customer base spans accounts ranging from large corporations and government bodies to small businesses and individuals.

The success of Cabcharge has stemmed from its commitment to look ahead, seek new opportunities to grow, enhance service levels and set consistently high standards. This commitment continues to ensure Cabcharge's position as a leader in this industry.

The largest Taxi Company in Australia, Taxis Combined Services, is a wholly owned subsidiary of Cabcharge. Cabcharge also owns Combined Communications Network (CCN), an Australian transport logistics company that operates the country's largest fleet of Taxis and provides associated specialist transport services to support owners, operators and drivers. The second largest taxi company in Melbourne, Black Cabs Combined Pty Ltd is a wholly owned subsidiary of Cabcharge.

Cabcharge holds merchant agreements with a range of Taxi Companies, and many of the major Taxi Companies are shareholders in Cabcharge.

In 2005 Cabcharge, together with ComfortDelGro Corporation Limited (Singapore), formed a joint venture company, ComfortDelGro Cabcharge Pty Ltd (CDC) – with ComfortDelGro owning 51 percent and Cabcharge 49 percent of the business. CDC is recognised as the largest private bus operator in Australia and operates under brands that include Westbus, Hillsbus, Hunter Valley Buses and Toronto and Morisset Bus Services. In 2009, CDC purchased the Kefford Group in Victoria, bringing the total CDC fleet to 1438 buses as at June 2010.

In addition, Cabcharge has strengthened its overseas presence with Joint Venture investments in CityFleet UK, with our Singaporean colleagues, again on a 51/49 percent basis.

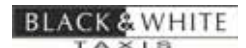
These ventures see Cabcharge well positioned to expand its business further throughout the UK and Europe as the economy ultimately strengthens in these areas.



South Western Cabs



Combined Communications Network



EXECUTIVE CHAIRMAN'S REPORT

In the 2009 Annual Report, I mentioned the difficulties the Company faced in these uncertain economic times. I also pointed out the resilience of Cabcharge in continuing to grow the business despite the most difficult of trading conditions. It is pleasing therefore to report in the 2010 financial year that we have further increased revenue to \$174.5m and the Group achieved a net profit after tax of \$57.6m.

This is a good result in the circumstances and we have again delivered a solid performance for our shareholders. Importantly, your Board has maintained the final dividend at 17 cents per share fully franked, a full year total of 34 cents per share fully franked.



The Company continues to operate in very tough market conditions. However, revenues and margins from the Cabcharge payment system business remained relatively stable in FY2010 despite continued weakness in corporate taxi usage in the aftermath of the GFC. Total turnover was down 3.1% overall for FY2010, but the service fee margin has risen to 9.2% (from 9.1%) reflecting the relative strength of the Cabcharge branded cards, e-tickets and gift cards compared with the turnover from third party cards and bank issued cards. We believe this is positive and we are intent on growing the Cabcharge brand.

Taxi services revenue showed pleasing growth of 4.8% from \$73.6m to \$77.1m. This growth is principally due to growth in Sydney and Melbourne taxi fleets where the Group provides taxi network services.

Equity accounted income from our associates increased by 14.4% from \$11.2m to \$12.8m. This is good news and again demonstrates the foresight of our diversification strategy to expand into the broader land passenger transport sector. In total, the contribution from our associates represents 22.2% of our Group's profit in FY2010 (18.1% last year). We expect that this contribution will continue to increase over time as our re-investment into those businesses generates higher returns. The UK associate business, CityFleet UK, has been particularly hard hit by the GFC in FY2010 and its profit contribution was down by 45% from \$3.3m to \$1.8m. It is well known that the UK economy has suffered much more than the general experience in Australia. Currency rates have also been unfavourable with the relative weakness of the Pound Sterling.

The associate business in Australia, ComfortDelGro Cabcharge Pty Ltd (CDC), increased profit contribution by 40% from \$7.8m to \$10.9m - but the main driver of this growth was the full year effect of CDC's acquisition of Kefford buses in Melbourne in March 2009. The CDC business is growing strongly, with substantial fleet growth from 1,255 buses in June 2009 to 1,438 in June 2010. Specifically under the NSW Government Bus Growth Program, CDC was allocated 128 of the buses issued under that program. There has been substantial growth in the associate's own revenue from \$207m in 2009 to \$282m in 2010. CDC had a number of one-off costs in FY2010 and we do expect these expenditures will bear fruit in terms of improved business efficiency and operational performance in future years.

Costs of the Cabcharge Group have increased in very specific areas: depreciation (following the capital expenditure on the new VeriFone contactless payment terminals), interest (following additional borrowings to fund CDC's acquisition of Kefford), legal costs (in defence of proceedings launched by ACCC to which I refer later), and the first time incurrence of operating costs in our EFT Solutions business (a business I discuss in more detail later as being crucial to our long term strength in payment technology). In all areas of our business, we have continued to be vigilant in seeking to reduce operating costs.



EXECUTIVE CHAIRMAN'S REPORT **cont.**

As a consequence of these increased costs, which represent around 6% of total costs, together with the modest growth in revenue, and the sub-par contribution from our UK associate, profit for FY2010 has declined 6% to \$57.6m from \$61.4m. It is disappointing that for the first time in this Company's eleven years as a listed company, the profit has not increased. Over the eleven years since listing, Cabcharge has achieved compound annual growth of 16% per annum, which is quite a phenomenal return over the long term.

Given the strength of the Australian economy and our optimism for the future of this great country, we expect expenditure on Taxi travel to recover and that, in time, the GFC will be remembered as just a modest blip in an otherwise stellar performance by a fine Australian company over a long period. We have every reason to expect that Cabcharge, as the pioneer and market leader of secure-payment technology in Taxis, will be a major beneficiary of the recovery. We do expect Australia to continue to be an attractive

significant impact on our revenues of this diminished demand for Taxi travel, particularly by the corporate sector which needed to reign in costs whilst under pressure from the GFC.

Competition was there in 2010 in the Taxi fare payments business. Competition was there in 2009. Competition has always been there. We do not shy away from healthy competition. We differentiate from our competitors through superior state-of-the-art secure-payment technology, offering peace of mind to customers and Taxi drivers alike, and with broad coverage of over 95% of Taxis across the nation. We were the pioneers in the Taxi fare payment business, we remain the market leader, and we intend to remain at the forefront of the Industry.

I am pleased that a long running investigation and proceeding commenced by the ACCC on 24 June 2009 has now been finalised. This matter was settled on 24 September 2010, with Cabcharge admitting to certain facts for the purpose of the ACCC proceeding



destination both for business and tourists. We do expect many of the visitors to our shores to welcome the opportunity, convenience and security of paying for their Taxi travel through superior secure-payment technology – and that is the Cabcharge payment system.

Cabcharge has been the subject of much press speculation this financial year, and without doubt much of this has had a damaging effect on the Company's share price. To borrow from Mark Twain, reports of our demise are greatly exaggerated. We consider that the FY2010 result defies some market commentators' expectations that Cabcharge would suffer a major loss of market share. We have not. We know that corporate belt tightening, a necessary response by business to the GFC, impacts on discretionary taxi travel. It is a fact FY2010 continued to see a

which resulted in the company incurring a penalty of \$15m inclusive of costs. The financial effect of the penalty will be brought to account in FY2011 financial statements. We are pleased with the final outcome in avoiding a lengthy trial and likely appeals. The matter has been an unwanted distraction and, following its conclusion, we can focus our entire energies on managing and growing our business. We are quite sure this is what our shareholders would want.

The UK market has been very tough in FY2010. Our UK 49% owned associate company, CityFleet UK, operates taxis in major cities including London, Edinburgh and Liverpool. Economic conditions have been particularly difficult for this UK business since the onset of the GFC. Profit contribution by our associate is down 45% on FY2009,

which itself was a poor result compared with FY2008. As economic commentators would testify, the GFC has been very significant in the UK with large numbers of job losses and business closures across the country, compared to the more moderate impact in Australia. Compounding the GFC factor in the UK in FY2010 has been the disastrous effect, thankfully only for a short period, of the volcanic clouds that halted hundreds of thousands of flights throughout the UK and the rest of Europe. Taxi travel has a significant correlation with air travel as a common means by which travellers make their journey from their homes or hotels to airports. All factors considered - it has been a very tough year for our UK associate - and we are pleased that it has continued to return a profit despite the many problems.

The Outlook

While there are positive signs of improvement in the Australian economy we remain optimistically cautious. Cabcharge continues to invest heavily in the leading edge technology required to ensure Industry participants and consumers alike are offered every safety assurance when it comes to using the Cabcharge payment system in Taxis. We believe that our dedication to offering a fast, user friendly and secure payment system and our focus on growth of the non-cash Taxi payments

at the completion of a journey. Further, contactless technology is specifically designed for low value transactions and again this is a perfect match to our Industry. For higher value transactions (and unusually high usage of the card) there will be a requirement for the customer to sign or enter their PIN. For the majority of trips we expect contactless to be a great time saver, yet highly secure with the customer's card never leaving their hand.

Contactless and chip technology is not just about speed and efficiency - it is also about fraud prevention. It has unfortunately become all too common and easy for criminals to copy magnetic stripe cards - a technique called skimming. The key to this fraud is the magnetic stripe. Our new contactless Cabcharge card will not have a magnetic stripe. Cabcharge cards will only use contactless and chip and pin technology - and unlike a magnetic stripe none of this can be copied. Similarly, our business partners, American Express, MasterCard and Visa are all heavily committed to the rollout of chip and contactless technology. MasterCard alone has issued over 4 million contactless cards in Australia so far this year. Cabcharge's terminals in taxis will of course be able to process American Express, MasterCard, Visa and other accepted cards either with or without magnetic stripes. The terminals will use the contactless and chip and pin technologies where the customer's card has those features. We expect that our business partners will start phasing out the magnetic stripe from their cards over time - as they are well aware of the security and fraudulent use issues, and the resulting costs to their businesses.



market will in the end mean Cabcharge will continue to be the preferred payment system in Taxis.

The next generation terminals provide the platform for the Taxi Industry to provide faster and more secure processing through contactless technology with tremendous benefits for both passengers and drivers alike. We expect the speed of processing and convenience of contactless technology to be a significant driver of growth, over time, for many types of taxi fares currently paid in cash. Payment via contactless card can literally be completed in a couple of seconds, quicker even than a cash payment. No need for money to change hands, for change to be given - just tap your card on the terminal's contactless symbol and go. Contactless technology will be a perfect match to our Industry where both passengers and drivers commonly appreciate a quick payment

We will start issuing Cabcharge contactless cards for Account holders throughout Australia as soon as our national terminal rollout is completed. The last stage of the terminal rollout is in Victoria where there are some additional State based regulatory matters currently being implemented and tested. It is important that we provide our customers with national coverage - if you are travelling from Perth to Palm Beach, it is important for a Cabcharge customer that their card works in the taxi to the airport in Perth - but it also must work in Palm Beach. We cannot guarantee that every taxi across the nation will accept the Cabcharge Payment System - but we know that over 95% do. Once the terminal rollout is completed, we also plan to migrate our other products such as e-tickets to the new contactless technology.

Through investment in our business unit, EFT Solutions, Cabcharge is not only developing software for its own terminals and products

EXECUTIVE CHAIRMAN'S REPORT cont.

but has also won a number of contracts for the provision of services to major Banks and other Companies, including two of Australia's largest corporates. We are confident that the number of contracts will continue to grow. Historically, the Australian EFTPOS market has been dominated by hardware vendors who deliver solutions specific to their hardware. The problem for buyers of these systems (like Cabcharge) is that they become locked into a specific hardware product and find it both difficult and expensive to change or upgrade their EFTPOS system. EFT Solutions provides software solutions with the capacity for high speed transaction processing on a wide range of hardware. The software includes full EMV capability (a worldwide standard for payment systems) as well as contactless processing. EFT Solutions allows Cabcharge and our customers to source the best EFTPOS hardware at the best prices and ensures that we keep pace with the rapidly changing Payments Industry.

The Payments Industry has established specifications, requirements and standards for payment terminals, cards and applications. Cabcharge conforms to these standards, working with National Australia Bank. Bank accreditation assures all parties of the integrity and security of the system. This is not easy. It is a lengthy and costly process. Our investment in new technology and focus on increasing the number of Cabcharge Account Cards and other products on issue puts us in a good position for the future as the economy recovers and taxi use increases.

In addition to Cabcharge's traditional strengths in payment technology, one of our business units, Europa, is now providing

the Industry with excellent products in the important areas of security cameras and taxi meters. The Europa designed security camera, the Askari, was released on the market in June 2010 and the product has proven very popular - to the point of having all our initial stock of the product sold out. Sales certainly exceeded our expectations. It is a highly secure system with carefully designed privacy protections for both drivers and passengers. In the case of an incident requiring photo download - which will always be a police matter - access to the images is limited to appropriately licenced personnel. All images on the system are secured from malicious damage and encrypted to prevent unauthorised use. The system is of course fully compliant with new State Government regulatory requirements for security cameras which came into force in July 2010 in both NSW and Victoria.

The Europa designed taxi meter is our other exciting new product which is due to be launched in the near future. This meter is smart - it has in-built features to detect toll entry and exit points, it has a sophisticated database to determine up-to-date tolling charges (including tolls that are variable based on time of day) and it records all the tolls for a journey, and thereby allows itemisation of tolls on the receipt. In my opinion, the handling of tolls thus far - and the lack of transparency for the customer to understand what tolls he or she is being charged by the Taxi driver, is a blight on the Industry. This is not a criticism of Taxi drivers - as they are caught up with what is currently a sub-standard system. It has been a particular interest to have this problem rectified - and this meter will provide the solution. The meter deals with the complex



array of tolls that apply in cities such as Sydney and Melbourne including distance based tolling such as applies on the M7 in Sydney, and variable time of day tolling that applies to the Sydney Harbour Bridge and Tunnels. The meter also has excellent facility for capture of all fare data during a shift which will be helpful in those jurisdictions where drivers and owners or operators share a certain percentage of the shift takings. The meter will probably be more expensive than Version 1, but we are planning a range of options for their sale not dissimilar to other meter suppliers.

Other factors that will assist Cabcharge's continued growth are recently approved Taxi fare increases – 3% in NSW urban areas from 12th July 2010 and 4.2% in Queensland from 31st July. In Taxi Services, we expect a significant number of new taxis will elect to use our Network Services in both Melbourne and Sydney as a result of an increase in taxi licences in both States. New government licence issues in FY2011 are expected to be 530 in Melbourne (200 conventional and 330 wheelchair accessible WAT licenses) and a net 167 for Sydney.

The new MTData dispatch technology which is being rolled out will assist in ensuring we attract a share of these additional taxis. MTData appears to be becoming the provider of choice for Taxi Networks around Australia with an increasing number of Networks installing the MTData communications system. We are working with MTData and have engaged them to provide additional features in the version we are installing in all our subsidiary Taxi Networks. In the longer term these features provide us with the capacity to offer improved bureau services and provide a disaster recovery centre for those Taxi Networks who wish to use it. The importance of having such disaster recovery capacity is becoming a more important part of risk management.

Even though the UK experienced another year of difficult business conditions, there are signs the economy is starting to stabilise with 1.1% economic growth in the second quarter of calendar year

2010 being the most in four years. Given this early sign of growth, along with the lead up to the Olympics in 2012, we are cautiously optimistic that the business environment in the UK will continue to improve which will of course impact positively on our bottom line.

We expect the NPAT contribution from CDC to continue to grow as a result of the full year impact of the additional buses under the NSW Government Bus Growth Program and improved cost management. There are also likely to be further additions to the bus fleet in both NSW and Victoria given the continuing growth in demand for bus services in the regions where we operate.

With a strong balance sheet, a diversified earnings base and capable committed staff we are well positioned to further develop our businesses. The Group will continue to tightly control costs, streamline business processes and seek suitable opportunities for growth, both through building our existing businesses and diversification.

I would like to acknowledge and thank all those who have contributed to our success during a difficult period.



Reg Kermode
Executive Chairman



CORPORATE SOCIAL RESPONSIBILITY

Environment

Cabcharge continues to implement a range of policies to distinguish the Group as an environmentally sound and responsible company. We regularly review progress on our green plan and identify potential additional initiatives in the light of developments in the marketplace. Our focus is not only on practices within our own businesses but also on influencing Taxi operators and drivers who use our Network services.

As a result of this approach, the following environmental improvements have been introduced in recent years in relation to our own operations:

- Paper recycling – office paper and non-secure general paper waste
- Recycling old thinners, old car parts and use of recycled water by TCS Smash Repairs
- All printers default to monochromatic and double sided printing
- Recycling our old computers and monitors
- A “lights-off” policy in workplace bathrooms – supported by visible signage
- Having Cabcharge business cards and Taxi e-tickets made from recyclable paper
- Increasing use of electronic delivery of Taxi operator statements and newsletters

In the past year we have built on our efforts to involve staff further in our initiatives. Following a call for expressions of interest we appointed a staff member as a “green officer” who is responsible for ensuring that environmental signage is current and encouraging other staff to follow procedures for recycling and reducing power and water wastage.

We also participated in Earth Hour and acted as a mobile phone recycling collection point for both staff and drivers.

Our strong focus on encouraging operators and drivers using our Network services to adopt environmentally sound practices has resulted in an increase in the use of fuel-efficient, stand-by hybrid taxis in Sydney and Melbourne. In the past year, the first hybrid taxi was also introduced to the Hunter Valley through Newcastle Taxis.

Currently 98% of non hybrid taxis supported by our Networks run on LPG. We have recently commenced trialing equipment to improve fuel efficiency and reduce emissions for these taxis.

Community

The Taxi Industry throughout Australia makes significant contributions to the wellbeing of communities, families and individuals. These range from the dedication of drivers who provide special care and service to the disabled, to Taxi Networks who sponsor local community groups and events, to broader campaigns to improve community safety and provide better services to those who are transport disadvantaged. These are only a few examples. The Taxi Industry does not seek special recognition for these contributions and they are rarely acknowledged.

We believe it's important to play our role in contributing to the community, both directly and through our involvement in and support of Taxi Industry initiatives.

Through our Taxi Networks we supported a number of community initiatives during the year, mainly involving local sporting clubs, day centres and charities where we both participated in fund raising events and made donations. A good example was Multicultural Harmony Day which Black Cabs sponsored in conjunction with the Hawthorn Football Club. The focus was on promoting respect for all members of the community, particularly important for our Taxi drivers and their families who come from a wide range of cultural backgrounds. We also provided Taxi transport for veterans on Anzac Day through our fleets in Sydney, Newcastle and Melbourne and contributed to the Melbourne Royal Children's Hospital Appeal.

In addition, we encouraged our staff to become involved in events such as The Big Morning Tea for the Cancer Council, the Pink Ribbon Breakfast, Daffodil Day and fund raising for international disasters such as the floods in Pakistan.

Many of our senior staff make significant private contributions to medical research, children's hospitals and children with disabilities who need assistance to attend educational establishments. In the spirit of the Taxi Industry Family, they do not seek any recognition for providing this assistance.

We have a strong interest in developing successful community relationships and establishing opportunities for partnerships.

Through CCN's partnership with Sydney South West Community Transport we are funded to provide transport services to older and frail persons as well as younger persons with moderate, severe or profound disability together with their carers. Funding is provided under the Home and Community Care Program.



The partnership has been operating for over 3 years. We are continually looking at ways to improve services to the transport disadvantaged. This year we organised free additional specialised training for drivers to help them better understand the needs of elderly and more frail passengers.

In Melbourne, Black Cabs operates WYNCabs which enables those over 60 or with a mobility challenge or a pensioner's concession card to access a shared service which provides door to door transport to the major shopping and services centre in Wyndham.

The Taxi Industry recognises its role in providing effective, professional services to all members of the community despite the challenges that individuals may face. For many, Taxis are the only form of public transport available to them. While often criticised, the Taxi Industry has in fact made significant advances in providing services to those with mobility constraints over many years. We work closely with the Taxi Industry and Governments

to continually improve the services we provide through both the Cabcharge payment system and our Taxi Network subsidiaries.

We currently provide administrative and processing support for Taxi Transport Subsidy schemes in Queensland, NSW, Victoria and the Northern Territory which provide Taxi travel for transport disadvantaged passengers. In Queensland, Victoria and the Northern Territory our innovative smart card technology is being used to provide greater convenience and ease of use for Scheme participants when travelling in Taxis. It also provides a high level of security and accountability for the Governments in relation to the taxpayer funds used to support these Schemes. We are encouraging other Governments with paper based Schemes to adopt a similar approach.

In NSW Wheelchair Accessible Taxis ("WATS vehicles") are now more than 10% of our Networks' Sydney fleets. Response times for WATS vehicles are generally as good as they are for other fleet vehicles. Particularly pleasing this year has been the increase in WATS vehicles in our fleets in Newcastle and Melbourne which is helping us to improve our services to passengers with mobility constraints in these areas.

As well as the number of WATS vehicles, we are also focused on vehicle features. In 2007 we launched a luxury vehicle for our passengers with mobility constraints as part of our commitment to helping to ensure that all our passengers have access to a similar standard of service. This was a first for the Taxi industry and demonstrated that it is possible to balance the special needs of our passengers with the business needs of our operators. Under the Disability Standards for Accessible Public Transport, WATS vehicles will have to meet new height and boarding ramp requirements in 2013. We are currently working with car manufacturers to be able to have Taxis which meet these requirements available.

Safety for drivers and passengers will always be a high priority. We continue to support and work with Transport NSW and the NSW Taxi Council on these issues. During the year we upgraded our technology to enable faster installation of complimentary automatic taxi phone services for hotels, pubs and clubs which they can use in conjunction with the SecureCab service to provide automatic ticket numbers. In Newcastle, we supported the introduction of Secure Taxi ranks which assisted in achieving a major reduction in assaults in this area. This followed the success of Secure Taxi ranks in Sydney. We also introduced free anger management classes for drivers who are considered "at risk".

In Melbourne, we work closely with the Victorian Taxi Directorate and the Victorian Taxi Association. Black Cabs continues to offer driver screens in line with Government regulations. We also offer Advanced Training for drivers where drivers learn about safety, fatigue and dealing with different types of customers.

Upgraded cameras were made available in both NSW and Victoria. If a driver from one of our fleets is injured or involved in an incident we provide assistance with counseling and other support services.

More generally, we work with, support and encourage the Taxi Industry across Australia by providing assistance with conferences, specific initiatives and exchange of information for the benefit of the entire Industry.

Cabcharge recognises the importance of providing our customers with services that are safe, accessible and efficient. Our new EFTPOS terminal rollout is close to completion. The terminals give the Taxi Industry the platform to provide faster and more secure processing through contactless technology with benefits for both passengers and drivers.

OUR STAFF

Cabcharge has a strong commitment to encouraging diversity at all levels within the Group. We believe this makes good business sense in encouraging innovation and ensuring a broad talent pool. With the appointment of Ms Tania Robinson as Group Chief Operating Officer, Treasury and Finance in April 2010, women now comprise one third of our senior executives, compared to an ASX 200 average of 10.7%.

The skills and commitment of all our employees are critical to the success of Cabcharge. Cabcharge recognises the role that opportunities for professional development and a supportive workplace environment plays in attracting and retaining staff. We endeavour to encourage a culture based on innovation, teamwork, achievement and accountability.

With the introduction of the Fair Work Act, the Company reviewed all of its policies and made the necessary changes to be compliant with the new National Employment Standards. New policies were developed on flexible work arrangements and parental leave in consultation with managers and staff. While the Company has always been prepared to accommodate individual requests for flexible work arrangements where possible, this has been largely an informal process. Under the new policy there are clear guidelines for both managers and staff on how to apply and what the considerations are for the business. The new policy applies to all staff, not just those with under school age or disabled children. The parental leave policy sets out the issues which will be considered in extending parental leave. The presumption in both cases is that staff requests will be approved unless there are compelling business reasons for not doing so.

All standard employment contracts were reviewed and updated. Recruitment, induction, promotion and termination procedures and checklists were amended. The induction process was strengthened by requiring employee and HR sign off that the employee has completed the process including training in OHS, discrimination, harassment & bullying. The Employee Handbook was updated and distributed to all employees. Briefing sessions were held for managers including training on how to consider requests for flexible working arrangements and parental leave extension.

In both Sydney and Melbourne we undertook major reviews of our Contact Centre operations in consultation with our staff. As a result, a number of changes were introduced to improve service quality and efficiency and provide clearer career opportunities for staff, linked to remuneration. This is part of a broader strategy to create a better place to work for our people and better service for our customers and drivers.

We continued to provide a wide range of both internal and external training and development opportunities for our staff. We also extended the range of other non cash benefits available to staff such as providing negotiated discount movie tickets and access to private vehicle, CTP and home insurance on the same terms as those being offered to Taxi operators.

Given the pressures created by the economic situation, we were concerned to ensure that the workplace continued to be a supportive environment. We introduced an updated Employee Assistance Plan which provides a free confidential counseling service for employees. The aim is to ensure early intervention and support for personal and professional issues which may be impacting an employee's wellbeing. This service is also available to employee family members. Other initiatives included campaigns on health and safety issues such as office exercises, quit smoking, healthy eating and flu prevention. These were complemented by sponsorship of staff participation in events such as the City 2 Surf in Sydney and the Corporate Games in Melbourne.



Left to right: Reginald Kermode, Ian Armstrong, Neill Ford, Philip Franet, Peter Hyer, Kua Hong Pak, Donnald McMichael, Neville Wran

DIRECTORS' REPORT



Directors' Report

Your Directors present their report on the consolidated entity consisting of Cabcharge Australia Limited (the Company or Cabcharge) and the entities it controls (the Group) at the end of, or during, the year ended 30 June 2010.

Directors

The following persons were Directors of the Company in office at any time during or since the end of the year except as otherwise stated:

Mr Reginald Kermode AM MBE

Mr Ian Armstrong

Mr Neill Ford

Mr Philip Franet

Mr Peter Hyer

Mr Kua Hong Pak

Mr Donald McMichael

The Hon Neville Wran AC QC (Hon) LLD (Syd) (Hon) LLD (NSW) FRSA

Reg Kermode

Executive Chairman

Chief Executive Officer

Member of the Board since 27 July 1980

Special responsibilities

Member of the Investment Committee

Mr Kermode founded Cabcharge in 1976. He is the Deputy Chairman of ComfortDelGro Cabcharge Pty Ltd (CDC), a Director of Cabcharge Asia Pte Limited, Director of Computer Cab plc, London and Director of CityFleet (UK) Pte Ltd. Mr Kermode is also a director of other Cabcharge Group entities. He is a past President of the New South Wales Taxi Council and retired Director of the NSW Taxi Industry Association. He is a Fellow of The Australian Institute of Company Directors, a Fellow of The Australian Institute of Management, and is a Justice of the Peace.

Directorships of other listed public companies held at any time during the three years to 30 June 2010 – nil.

Ian Armstrong

Non-Executive Director

Member of the Board since 17 July 2000

Special responsibilities

Chairman of the Audit, Risk & Nomination Committee

Mr Armstrong is a Fellow of the Institute of Chartered Accountants in Australia. He was a partner with PricewaterhouseCoopers for 23 years of which 15 years were in the field of corporate finance.

Directorships of other listed public companies held at any time during the three years to 30 June 2010 – nil.

Neill Ford

Non-Executive Director

Member of the Board since 21 March 1996

Special responsibilities

Member of the Remuneration and Investment Committees

Mr Ford is the Managing Director of Yellow Cabs (Qld) Pty Limited and Chairman of Taxis Australia Pty Limited. He is a director of Regent Taxis Limited. He has in excess of 30 years experience in taxi company management. He is a Fellow of the Australian Institute of Company Directors and Fellow of the Australian Institute of Management.

Directorships of other listed public companies held at any time during the three years to 30 June 2010 – nil.

Philip Franet

Non-Executive Director

Member of the Board since 28 June 1985

Special responsibilities

Member of the Risk Oversight and Management Committee

Mr Franet was the Chief Executive Officer of Silver Top Taxi Service Ltd until his retirement in 2005. He is also the past President of Victorian Taxi Association. He has over 30 years experience in the Taxi Industry and has consulted to the Emirate of Dubai on the establishment of a large taxi organisation including the establishment of charge account services in Dubai.

Directorships of other listed public companies held at any time during the three years to 30 June 2010 – nil.

Peter Hyer

Non-Executive Director

Member of the Board since 25 June 1996

Special responsibilities

Member of the Remuneration and the Audit, Risk & Nomination Committees

Mr Hyer is the Chairman and Managing Director of Adelhill Limited – parent entity of Premier Cabs Pty Limited, Director of Cumberland Cabs Company Pty Limited, Director of Western Districts Cabs Company Limited, Director of Western Districts Cabs (NSW) Pty Limited and Director of Northern Districts Taxis (Sydney) Pty Limited. He is a Fellow of the Australian Institute of Company Directors.

Directorships of other listed public companies held at any time during the three years to 30 June 2010 – nil.

Kua Hong Pak

Non-Executive Director

Member of the Board since 14 December 2006

Mr Kua was appointed Managing Director / Group Chief Executive Officer of ComfortDelGro Corporation Limited in 2003. He is also the Deputy Chairman of SBS Transit Ltd and VICOM Ltd. He also serves on the boards of Temasek Holdings (Private) Limited, PSA International Pte Ltd, PSA Corporation Limited, StarHub Ltd and Ringier Print (HK) Limited.

He is an Honorary Citizen of Shenyang City, China. In recognition of his contributions to community service, he was awarded the Public Service Medal in 1991 and Public Service Star in 1996 by the President of the Republic of Singapore and re-appointed a Justice of the Peace in 2010. He was awarded a Medal of Commendation (Gold) by the National Trades Union Congress in 2010.

He holds a Bachelor of Accountancy from the University of Singapore. He is a Fellow of the United Nations Asian Institute and a Fellow of the Singapore Institute of Directors. He also attended the Advanced Management Programme at Harvard Business School.

Directorships of other listed public companies held at any time during the three years to 30 June 2010:

Current directorships (companies listed on the Singapore Stock Exchange) –

ComfortDelGro Corporation Limited - from 1 January 2003

SBS Transit Ltd - from 2 May 2002

VICOM Ltd - from 1 May 2003

StarHub Ltd - from 19 November 2001

Donald McMichael

Non-Executive Director

Member of the Board since 25 June 1996

Special responsibilities

Member of the Risk Oversight & Management Committee

Mr McMichael is a member of the Australian Institute of Management and Australian Society of Australian Executives. He is an Associate of the Australian Institute of Company Directors and was formerly Chairman of Aerial Taxi Co-Op Society Limited and a Director of Yellow Cabs (Canberra) Pty Ltd, and a Director of the Fundraising Institute of Australia (ACT).

Directorships of other listed public companies held at any time during the three years to 30 June 2010 – nil.

Neville Wran

Non-Executive Director

Member of the Board since 28 November 2000

Special responsibilities

Member of the Audit, Risk & Nomination Committee and Investment Committee

Mr Wran is a Queen's Counsel. He was Premier of New South Wales from 1976 until his resignation in 1986. He is a director of a number of companies, including ComfortDelGro Cabcharge Pty Ltd.

He was National President of the Australian Labor Party from 1980 until July 1986. From 1986 to 1991 he was Chairman of CSIRO.

Mr Wran represented Australia as a Member of the Eminent Persons Group of APEC (Asia Pacific Economic Cooperation) from 1993 to 1995. He is a Governor of the Australia-Israel Chamber of Commerce, Patron of the Victor Chang Cardiac Research Institute and maintains a broad range of community interests. He is currently Chairman of Wran Partners Pty Ltd, corporate advisers.

Directors' Report cont.

Directorships of other listed public companies held at any time during the three years to 30 June 2010:

Current directorships – Nil

Previous directorships –

Gujarat NRE Resources NL - from 23 June 2004 (when the company was known as Zinico Resources NL) until removal from the official list of the ASX on 31 March 2008

Wind Hydrogen Ltd - from its listing on the ASX on 6 September 2007 until Mr Wran's retirement as a director on 30 November 2007

Pluton Resources Limited - from 1 June 2005 until 24 October 2008

Company Secretaries

Sharon Doyle

Company Secretary since 19 February 2002

Ms Doyle held the position of Company Secretary at the end of the financial year. She is a Solicitor admitted to the Supreme Court of New South Wales and joined the Cabcharge group 16 years ago. She continues her role as Corporate Counsel for the Cabcharge Group of Companies and ComfortDelGro Cabcharge Pty Ltd.

Chip Beng Yeoh

Additional Company Secretary since 8 April 2009

Mr Yeoh has been the Chief Financial Officer of Cabcharge Group since 26 February 2007. He is a member of the CPA Australia and the Institute of Certified Public Accountants of Singapore. He holds a Bachelor of Commerce (Accountancy, Finance & Systems) from the University of New South Wales. He is a Director of Newcastle Taxis Pty Ltd and an alternate Director of Cabcharge International Ltd.

Principal Activities and Any Significant Changes in Nature

The Group primarily is involved in taxi related services as well as having a significant interest in bus and coach services through its interest in an associate.

There were no significant changes in the nature of the activities of the Group during the year.

Dividends

Dividends paid or declared for payment since the end of the previous financial year are as follows:

Date paid or scheduled	Type	Cents per share	Paid or declared \$000
In respect of the prior year 30 October 2009	Final	17.0	20,473
In respect of the current year 29 April 2010	Interim	17.0	20,473
29 October 2010	Final	17.0	20,473

The 2010 final dividend was declared after the end of the financial year and is payable on 29 October 2010 with a record date of 30 September 2010. All dividends are fully franked at a tax rate of 30%.

Review of Operations

A summary of key financial indicators is set out in the table below. Commentary on the results is included in the Chairman's report.

	2010	2009	2008	2007	2006
Total revenue (\$m)	174.5	173.6	171.8	149.2	128.5
Profit after tax (\$m)	57.6	61.4	59.0	51.8	38.0
Earnings before interest and tax (EBIT - \$m)	81.1	86.4	83.9	72.0	53.0
Earnings before interest, tax, depreciation and amortisation (EBITDA - \$m)	91.6	94.8	92.2	80.1	62.3
Earnings per share - basic (cents)	47.8	51.0	50.3	44.9	33.9
Share Capital (\$m)	138.3	138.3	138.3	113.0	72.4
Capital and reserves (\$m)	294.9	279.7	263.4	217.6	156.7
Total assets employed (\$m)	448.9	418.9	380.8	310.2	229.1
Net assets per share (excluding goodwill) (cents)	233.9	221.3	213.1	185.0	139.1
Return on contributed equity (%)	41.6%	44.4%	42.7%	45.8%	52.5%
Dividend per share (cents)	34.0	34.0	34.0	30.0	23.0
Dividends paid (\$m)	40.9	40.9	40.4	35.2	25.8
Dividend payout ratio (%)	71.0%	66.7%	68.5%	68.0%	67.9%
Franking account balance at 30% tax (\$m)	55.2	54.9	52.4	48.0	42.8

Operating Results

The Group's profit after income tax attributable to equity holders of Cabcharge Australia Limited amounted to \$57,604,000 (2009: \$61,382,000).

Significant Changes in the State of Affairs

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

Events subsequent to balance date

No matters or circumstances have arisen since the end of the financial year which 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.

Future developments

The Directors are of the opinion that the new financial year will be a period of continued growth. Other than the information disclosed in the review of operations or notes to the consolidated financial statements, further information as to the likely developments in the operations of the Group and the expected results of those operations in subsequent years has not been included in this report because the Directors believe, on reasonable grounds, that to include such information would be likely to result in unreasonable prejudice to the Group.

ACCC Proceedings

The ACCC commenced proceedings in June 2009 against Cabcharge for alleged breaches of ss 45 & 46 of the Trade Practices Act 1974. We are hopeful of a reasonable outcome for the Company. At this time, no provision has been made in the accounts in respect of this matter. The information required by AASB 137 Provisions, Contingent Liabilities and Contingent Assets, is not disclosed on the grounds that it may prejudice the outcome of the matter.

Environmental Issues

The Group's operations are not regulated by any particular and significant environmental regulations under a law of the Commonwealth or of a State or Territory.

Directors' Interests in Shares

The relevant interest of each Director in the share capital of the Company at the date of this report is as follows:

	Note	Direct Interest Shares	Indirect Interest Shares	Total
Reg Kermode		900,000	-	900,000
Ian Armstrong		250,000	-	250,000
Neill Ford	1	—	315,000	315,000
Peter Hyer	2	—	1,126,260	1,126,260
Donnald McMichael	3	—	14,000	14,000
Neville Wran		184,800	—	184,800
				2,790,060

1 315,000 Fully Paid Ordinary Shares held by NL Ford Nominees Pty Ltd Super Fund.

2 121,667 Fully Paid Ordinary Shares held by Windcode Pty Ltd; 1,004,593 Fully Paid Ordinary shares held by Adelhill Limited in which Mr Hyer is Chairman, Managing Director and Shareholder.

3 14,000 Fully Paid Ordinary Shares held by Donren Holdings Superannuation account

Share Options

No share options were granted during the year and to the date of this report, and there were no options outstanding at the end of the financial year.

Contracts with Directors

There are no contracts –

- (i) to which a Director is a party or under which a Director is entitled to a benefit, or
- (ii) that confers a right to call for or deliver shares in, or debentures of or interests in a registered scheme made available by the Company or a related body corporate.

Other Interests

No Director has relevant interests in, or rights or options over debentures, or interests in a registered scheme made available by the Company or a related body corporate.

Directors' Report cont.

Meetings of Directors

The number of Directors' Meetings which Directors were eligible to attend (including Committee Meetings) and the number attended by each Director during the year ended 30 June 2010 were:

	Directors' Meetings				Committee Meetings					
	Number Eligible to Attend	Number Attended	Audit, Risk & Nomination Committee		Remuneration Committee		Investment Committee		Risk Oversight & Management Committee	
			Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Reg Kermode	10	10	nm	nm	nm	nm	2	2	nm	nm
Ian Armstrong	10	9	3	3	nm	nm	nm	nm	nm	nm
Neill Ford	10	8	nm	nm	1	1	2	2	nm	nm
Philip Franet	10	9	nm	nm	nm	nm	nm	nm	3	3
Peter Hyer	10	10	3	3	1	1	nm	nm	nm	nm
Kua Hong Pak	10	9	nm	nm	nm	nm	nm	nm	nm	nm
Donnald McMichael	10	9	nm	nm	nm	nm	nm	nm	3	3
Neville Wran	10	9	3	3	nm	nm	2	2	nm	nm

nm - not a member of the relevant committee

Remuneration Report (audited)

a) Details of the Key Management Personnel ("KMP")

The KMP of the Group include the Directors (as detailed in the beginning of this report) and the following executive officers (including the five most highly remunerated Company and Group executives): -

Name of KMP	Position
John D'Arcy	Group General Manager - Cabcharge Operations (Resigned at 18 June 2010)
Sharon Doyle	Company Secretary & Corporate Counsel
Sai Kancharla	Deputy Chief Financial Officer
Fred Lukabyo	Group Chief Operating Officer - Taxi Operations
Anne Rein	Group General Manager - People and Business Improvement
Tania Robinson	Group Chief Operating Officer - Treasury & Finance (Appointed from 27 April 2010)
Rob Roozendaal	Group General Manager - Information Technology
Andrew Skelton	Chief Operating Officer of Black Cabs Combined
Chip Beng Yeoh	Chief Financial Officer & Company Secretary

b) Compensation practices

The Board's policy for determining the nature and amount of compensation for KMP for the Group is designed to retain and motivate individuals on a market competitive basis.

The compensation structure for KMP comprises two components – a base salary package (including superannuation and other benefits) and a variable cash bonus based on employee contribution and the overall performance of the Group. The base salary package takes into account a number of factors including available market information on similar positions, length of service and the experience, responsibilities and contributions of the employee concerned.

In the case of the Executive Chairman, the base salary package and performance bonus is determined by the Remuneration Committee and the Board based on advice from external remuneration consultants. The base salary package for the Executive Chairman reflects his unique leadership, extensive industry experience and his contribution to the performance of the Group since listing on the ASX.

A cash bonus reward scheme is in place to reinforce both short term and long term goals of the Group and to provide an alignment of interest between management and shareholders. It takes into account financial results at both a business unit and Group level for the 2010 financial year, the impact of the Group's performance on shareholders as set out below and the achievement of strategic priorities in relation to technological innovation and business diversification.

Contracts for service between the Company or company within the Group and KMP are on a continuing basis, the terms of which are not expected to change in the immediate future. The notice period for termination varies from three to six months. Upon retirement, KMP are paid employee benefit entitlements accrued to the date of retirement. KMP are paid a percentage of their salary in the event of redundancy. Termination benefits include employee entitlements accrued to the date of termination.

Non-executive Directors receive fees only and are not paid performance based payments.

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Remuneration Committee have regard to the following indices in respect of the current financial year and the previous four financial years.

	2010	2009	2008	2007	2006
Profit after tax (\$m)	57.6	61.4	59.0	51.8	38.0
Dividends paid (\$m)	40.9	40.9	40.4	35.2	25.8
Return on contributed equity (%)	41.6%	44.4%	42.7%	45.8%	52.5%
Change in share price	[\$0.02]	[\$3.04]	[\$4.21]	\$6.05	\$1.86

c) KMP compensation

	Short-term benefits			Post-employment benefits				
2010 Year:	Salary, fees and other short term benefits ¹ (\$)	Non-cash benefits (\$)	Cash bonus (performance related) (\$)	Super-annuation contributions (\$)	Other benefits ¹ (\$)	Termination benefits (\$)	Total (\$)	Performance related %
Executive Directors								
Reg Kermode	1,936,349	49,968	425,000	-	31,651	-	2,442,968	17%
Non-executive Directors								
Ian Armstrong	31,399	-	-	57,326	-	-	88,725	-
Neill Ford	88,853	-	-	7,997	-	-	96,850	-
Philip Franet	29,576	-	-	59,149	-	-	88,725	-
Peter Hyer	96,850	-	-	-	-	-	96,850	-
Kua Hong Pak	80,600	-	-	-	-	-	80,600	-
Donnald McMichael	81,399	-	-	7,326	-	-	88,725	-
Neville Wran	96,850	-	-	-	-	-	96,850	-
Other executives								
John D'Arcy (Resigned 18 June 2010)	301,126	-	10,000	14,461	-	40,671	366,258	3%
Sharon Doyle	469,369	18,862	-	14,461	-	-	502,692	-
Sai Kancharla	220,292	-	12,000	15,295	7,648	-	255,235	5%
Fred Lukabyo	379,070	35,141	15,000	14,461	12,002	-	455,674	3%
Anne Rein	255,556	-	10,000	56,927	1,591	-	324,074	3%
Tania Robinson (From 27 April 2010)	70,857	-	-	2,964	-	-	73,821	-
Rob Roozendaal	197,087	-	12,000	64,461	9,601	-	283,149	4%
Andrew Skelton	321,150	7,527	10,000	14,461	14,019	-	367,157	3%
Chip Beng Yeoh	443,646	-	12,000	40,450	1,280	-	497,376	2%
Total Group remuneration for KMP for 2010 year	5,100,029	111,498	506,000	369,739	77,792	40,671	6,205,729	
2009 year:								
Executive Directors								
Reg Kermode	2,024,868	49,968	575,000	-	62,044	-	2,711,880	21%
Non-executive Directors								
Ian Armstrong	6,900	-	-	81,825	-	-	88,725	-
Neill Ford	88,853	-	-	7,997	-	-	96,850	-
Philip Franet	-	-	-	88,725	-	-	88,725	-
Peter Hyer	96,850	-	-	-	-	-	96,850	-
Kua Hong Pak	80,600	-	-	-	-	-	80,600	-
Donnald McMichael	81,399	-	-	7,326	-	-	88,725	-
Neville Wran	96,850	-	-	-	-	-	96,850	-
Other executives								
John D'Arcy	292,600	-	-	13,745	195	-	306,539	-
Sharon Doyle	418,643	24,521	-	13,745	4,107	-	461,016	-
Owen Eckford ² (Resigned 08 May 2009)	437,772	73,285	-	29,947	11,195	450,000	1,002,199	-
Sai Kancharla	226,767	-	-	13,745	5,844	-	246,356	-
Fred Lukabyo	353,015	35,141	-	13,745	588	-	402,489	-
Anne Rein	204,298	-	-	95,702	-	-	300,000	-
Rob Roozendaal	233,894	-	-	16,106	4,315	-	254,315	-
Andrew Skelton	289,425	20,000	-	13,428	11,614	-	334,467	-
Chip Beng Yeoh	410,914	-	-	39,086	270	-	450,270	-
Total Group remuneration for KMP for 2009 year	5,343,647	202,915	575,000	435,122	100,171	450,000	7,106,855	

¹ These include accruals and provisions for annual leave and long service leave. The comparative information has been adjusted to reflect the annual accruals and provisions for these benefits.

² Termination benefits paid to Mr Eckford, of which 70% has been recovered from ComfortDelGro Cabcharge in line with the cost sharing agreement which was in place in relation to his services.

Directors' Report cont.

Indemnification and insurance of officers and auditors

The Company has agreed to indemnify the current directors of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has also agreed to indemnify the current directors of its controlled entities for all liabilities to another person (other than the Company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Since the end of the previous financial year the Company has paid insurance premiums, the total of which is not permitted to be disclosed, in respect of directors' and officers' liability and legal expenses' insurance contracts, for current and former directors and officers, including senior executives of the Company and directors, senior executives and secretaries of its controlled entities. The insurance premiums relate to costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

There has been no indemnification of the current auditors, nor have any insurance premiums been paid in respect of the current auditors since the end of the previous year.

Non-audit services by auditors

Non-audit services provided by KPMG Australia, the auditors of the Group, were for the provision of taxation compliance services for which fees were paid or payable of \$95,000. In 2009, the fee for non-audit services (being taxation and administrative services) was \$65,308.

The board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the audit committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- (i) all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the audit committee to ensure they do not impact the integrity and objectivity of the auditor; and
- (ii) the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Group, KPMG Australia, and its related practices for audit and non-audit services provided during the year are set out in note 30 of the consolidated financial statements.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 23 and forms part of the directors' report for the financial year ended 30 June 2010.

Rounding off

Cabcharge is a company of the kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and the directors' report have been rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Board of Directors.



Neville Wran
Director



Peter Hyer
Director

Dated at Sydney this 23rd day of September 2010

Auditor's Independence Declaration



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 audit for the financial year ended 30 June 2010 there have been:

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

A handwritten signature in black ink, appearing to be 'KPMG' followed by a stylized flourish.

KPMG

A handwritten signature in black ink, appearing to be 'Peter Russell'.

Peter Russell
Partner

Sydney

23 September 2010

Corporate Governance Statement

for the year ended 30 June 2010

The Board of Cabcharge Australia Limited is responsible for the corporate governance of the Company. This statement reflects the key features of Cabcharge's corporate governance framework. Cabcharge continues to place great importance on the governance of the Group, as it believes that proper governance is vital to the overall well being of the Group and the comprehensive framework that the Board has adopted reflects Cabcharge's dedication in this area. The manner in which the Group is operated, in accordance with its corporate governance framework, ensures that Cabcharge not only allows the Group to operate as efficiently as possible but also gives it the scope to properly assess and analyse any risk taking activities that may arise from time to time. Cabcharge's guidelines and the practices of the Group comply with the revised "Corporate Governance Principles and Recommendations" published in 2007 by the Australian Securities Exchange (ASX) Limited's Corporate Governance Council.

Charter

The Cabcharge Board of Directors responsibilities and roles are set out in the Cabcharge Board Charter. The Board's responsibilities include:

- The Group's corporate governance principles, including the establishment of Committees;
- Supervision of the Group's general affairs and operations by working with management within the Group to establish strategic and financial objectives;
- Monitoring the financial and overall performance of the Group's management in each area;
- Ensuring that the risk management procedures in place are effective and operational (including appropriate reporting mechanisms);
- Overall control and continuous review of the Group's major capital expenditure and expansion;
- Review of compliance relating to statutory requirements, the Company's constitution and approval of HR policies;
- Employment of the Chief Executive Officer and ensuring effective succession plans relating to senior management personnel.

The Cabcharge Board of Directors may delegate to its sub-committees, an officer of a group company, or any other person in authority to perform any of its functions and exercise any of its powers, in the ordinary course of business. This includes the day to day administration of its assets, including ensuring that assets are adequately insured where necessary; that detailed market investigations and effective due diligence is carried out on proposed investments or acquisitions; that capital required to develop the Company's portfolio of investments, proposed investments or acquisitions as well as general working capital requirements is adequate; and that, subject to the responsibility of the Board's Audit and Risk Committee, there is effective risk management, financial management and compliance management of the Company's assets.

Board Composition

There are currently eight members of the Cabcharge Board and details of their experience, qualifications and special responsibilities (Committee membership) are set out in the Directors' Report from page 17.

Independence

In accordance with the ASX's Corporate Governance Principles and Recommendations, the Board continuously assesses the independence of each Director. The Board classifies an independent Director to be a Director that is independent of management, in addition to being free of any business or other relationship that could materially conflict or interfere with the exercise of unfettered judgment. The Board comprises seven non-executive Directors and one executive Director who is the Chief Executive Officer and Chairman. Of the seven non-executive Directors the following Directors are considered to be non independent:

Mr Peter Hyer
Mr Neill Ford
Mr Kua Hong Pak

Non-Executive Directors who are not independent are segregated from operational management of Cabcharge, in particular its wholly owned Taxi Network subsidiaries. The Taxi Industry is a very specialised Industry and because of the Non-Executive Directors' commercial knowledge and expertise within the Taxi Industry and Transport Industry generally, the Board considers that these Directors are able to effectively carry out their responsibilities in accordance with the Board Charter. The other Non-Executive Directors who are deemed to be independent are:

Mr Ian Armstrong
Mr Phil Franet
Mr Donald McMichael
The Hon Neville Wran AC QC (Hon) LLD (Syd) (Hon) LLD (NSW) FRSA

As a result of consideration given by the Board it has been determined that neither Mr Wran, Mr Armstrong, Mr McMichael or Mr Franet have any relationships which breach the materiality threshold or that in the context of the activities as a whole, none of these Directors have relationships considered to compromise their independence.

In addition, even though it is recommended by the Guidelines that the roles of Chairperson and Chief Executive Officer should not be exercised by the same individual, Mr Reg Kermodé has held these positions since 27 July 1980. Mr Kermodé's leadership and expertise within the Taxi and Transport Industries generally along with his long term vision for Cabcharge has seen the Group grow from a small operation to a company listed on the Australian Securities Exchange. The success and continued diversity and growth of the Group are largely attributable to Mr Kermodé's performance and vision for the Cabcharge Group as Chairman and Chief Executive Officer. Given the overall success of the Group the Board believes it to be inappropriate and unnecessary to separate the roles of Chairman and Chief Executive Officer at this time.

Disclosure

Cabcharge Directors also have strict obligations relating to their disclosure of any share trades or material contracts or other relationships with the Group in accordance with the provisions of the Corporations Act and Policy guidelines. Directors must also declare a conflict of interest where such an interest lies in relation to a matter before the Board and the guidelines expressly prohibit a Director taking part in discussion or voting on an issue in which any Director has a conflict of interest.

Education

Directors participate in an induction program upon appointment and programs of continuing education are available to ensure that the Board is kept up to date not only with developments within the Taxi and Transport industries generally, but also developments within statutory and governance guidelines. Directors are also entitled to seek independent professional advice at the expense of Cabcharge on matters pertaining to their roles of Directors.

Operations and Continuous Review

The Board meets regularly with a comprehensive agenda which is specifically designed for each meeting to ensure that in addition to regular operational issues other matters that require discussion, guidance or review are brought to the Board's attention. Management is invited to attend Board discussions as and when required. In addition to the meetings which are allocated at the commencement of each year, meetings may be called at any time for discussion on any issue required. The performance, policies and practices of the Board and the Group are reviewed on an annual basis. The reviews are considered to be important and informative to the Board as they are useful tools to assist in identifying areas requiring tighter control, general improvement or an overall review of specific or general Group Operations.

Appointment of Directors

The Board of Directors in accordance with the Company's constitution have developed criteria for Director appointments, with the criteria aimed at selecting Directors who are capable of contributing to the overall operation of the Company, have a thorough knowledge of various aspects of the industry and are motivated to perform to the best of their ability whilst serving Cabcharge as a Director. All Cabcharge directors must meet the following criteria:

- Ability to provide and apply expertise to the Group's operations;
- Understand the complexities of the taxi industry and transport industry generally;
- Be willing to contribute meaningful and appropriate input into discussions and demonstrate decision making skills taking into account both the present and the future;
- Have a thorough understanding of the statutory framework of the taxi and transport industries and the complexities involved and be prepared to continuously be educated;
- Work as a team with other Directors and management and feel confident to express their views on any matter relating to the operations of the Group.

Directors and their terms in office

Name	Years
Mr Reg Kermode	30
Mr Phil Franet	23
Mr Donald McMichael	14
Mr Neill Ford	14
Mr Peter Hyer	14
Mr Ian Armstrong	10
The Hon Neville Wran AC QC (Hon) LLD (Syd) (Hon) LLD (NSW) FRSA	9
Mr Kua Hong Pak	3

Upon selection, a letter of appointment and welcome is provided to the Director setting out the terms of the appointment in accordance with the Company's constitution including the Board's advice as to the amount of time expected of the Director, Board policies and the Constitution and other ancillary information.

A summary of Board policies which are relevant to the functions and compositions of the Board comprise:

- The Board Charter and approval of all other Corporate Governance principles;
- Selection of Committees.

Ethical Standards

Share Trading

Cabcharge has in place a Policy concerning trading in Cabcharge securities by Directors, officers and employees. The Cabcharge policy in relation to the trading of Cabcharge shares encompasses the following:

- Dealing Rules clearly identifies the Directors, Officers and employees who are restricted from trading (Designated Officers);
- Identifies and raises awareness about the prohibitions under the law and the requirements of the policy. The policy makes it clear that it is inappropriate for the Designated Officer to procure or to trade when the Designated Officers have information relating to the performance of the Group that have not yet been disclosed to the public. Designated Officers are also aware of the need to enforce confidentiality against external advisors;
- Requires Designated Officers to provide notification to the Chief Executive Officer (with the CEO notifying the Board of Directors);
- Confirmation of any trading;

- Sets out the black out periods;
- Specifies if there is any discretion to permit trading by Designated Officers in specific circumstances;
- Specifies whether Cabcharge prohibits Designated Officers from entering into transactions in associated products which operate to limit the economic risk of their security holdings in the Company.

Code of Conduct

The Cabcharge Board has established a Code of Conduct to guide its Directors, the Chief Executive Officer, the Chief Financial Officer and its key executives in relation to:

- The practices necessary to maintain confidence in Cabcharge's integrity;
- The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Cabcharge Board has established a Code of Ethics and Conduct which addresses the following issues:

- Conflicts of interest – managing situations where the interest of a private individual interferes or appears to interfere with the interests of Cabcharge as a whole;
- Corporate opportunities – preventing Directors and key executives from taking advantage of property, information or position or opportunities arising from these for personal gain or to compete with Cabcharge;
- Confidentiality – restricting the use of non-public information except where disclosure is authorised or legally mandated;
- Fair dealing – by all employees with Cabcharge's customers, suppliers, competitors and employees;
- Protection of and proper use of the Company's assets – protecting and ensuring the efficient use of assets for legitimate business purposes;
- Compliance with laws and regulations – active promotion of compliance;
- Encouraging the reporting of unlawful/unethical behaviour;
- Active promotion of ethical behaviour and protection for those who report violations in good faith.

Remunerate Fairly and Responsibly

The Remuneration Committee consists of Mr Hyer and Mr Ford.

The Cabcharge Group aims to reward executives in accordance with their positions and responsibilities within the Group so as to:

- reward executives for Group, business unit and individual performance against targets set by reference to appropriate benchmarks
- align the interests of executives with those of shareholders and
- ensure remuneration is competitive by market standards.

In determining the level and make up of the Executive Chairman's remuneration, the Remuneration Committee reviews comparative listed companies in addition to seeking advice from independent advisors.

There are currently no options issued to any directors or executives.

The remuneration of key management personnel is set out on page 21 of the report. Bonus payments to executives are discretionary and in determining if an executive should be paid a bonus, the performance of each executive is carefully reviewed on an annual basis and when appropriate the executive is paid a bonus amount commensurate with the executive's performance for the preceding 12 months.

In relation to Board Remuneration independent advice is sought in relation to fees paid to directors and any increase in the amount available for Board Remuneration must be approved by the shareholders at the Annual General Meeting.

Corporate Governance Statement cont.

for the year ended 30 June 2010

Company Audit

The Audit Committee charter involves a number of policies and practices to ensure the Committee's independence and effectiveness. These include:

- The Committee consists entirely of independent non executive Directors all of whom are financially literate. The Chairman of the Risk Committee, Mr Ian Armstrong, has extensive qualifications as a former partner of PricewaterhouseCoopers;
- The Audit Committee has unfettered access to the Chief Financial Officer, financial records of the Group and the Group's external Auditors;
- The Risk Management Committee reports directly to the Chairman of the Audit Committee and also has unfettered access to the Chief Financial Officer and financial records of the Group and the external Auditors;
- The Audit Committee requires confirmation that the external Auditors meet Independence standards;
- The Audit Committee may conduct an investigation into any financial matter as it sees fit;
- The Audit Committee also independently considers compliance and conformity of financial statements with current accounting standards and the accounting policies applied.

The Audit Committee meets with the external Auditor at least twice a year independently of the Chief Financial Officer and other accounting management and staff. The Committee is responsible for the overseeing of management in relation to the preparation of the Group's financial statements and financial disclosure. The Audit Committee relies on the information provided by both the Chief Financial Officer and the external Auditor.

Auditor

KPMG is the Auditor of the Cabcharge Group of Companies and was appointed in 2007.

The audit partner from KPMG will attend the 2010 Annual General Meeting of Cabcharge and will be available to respond to shareholder audit-related questions.

Cabcharge currently requires that the partner managing the audit for the external Auditor be changed after a period of no longer than five years.

Shareholder Rights

Cabcharge has a shareholder communication policy which highlights Cabcharge's commitment to transparency in its dealings with shareholders, analysts, investors and the market generally. Cabcharge encourages shareholder participation at shareholder meetings and is committed to dealing promptly and effectively with shareholder enquiries. Copies of Board Charters and other policies approved by the Board are available from Cabcharge upon request.

The Cabcharge Annual Meeting is convened in accordance with applicable laws and rules. Cabcharge encourages shareholders to participate at the AGM by making comments and requesting information from Board members and Cabcharge's Auditors who attend each Cabcharge AGM and are available to answer shareholder questions in relation to audit procedures and audited accounts.

Cabcharge keeps shareholders informed by making company announcements as well as sending the yearly reports. All announcements are placed on the Cabcharge website after they have been released to the market.

Corporate Governance

Risk Management

The Risk Management & Nomination Committee oversees operational and strategic business, business decisions, business continuity, compliance and security risks assumed by the Group in the course of

carrying on its business. In the first instance the Risk Management Committee reports to the Audit & Nomination Committee.

The Board has received assurances from the Executive Chairman and the Chief Financial Officer that the declaration provided in accordance with section 259A of the Corporation Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Board requires management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board also requires management to report to it as the effectiveness of the Company's management of its material business risks. Policies relating to the Group's risk management system are available on request.

Cabcharge Australia Trade Practices Compliance Policy

The Cabcharge Group is committed to complying with the provisions of the Trade Practices Act 1974 (the Act). Cabcharge's commitment to compliance is demonstrated by the company's implementation of a comprehensive Group Trade Practices Compliance Program and includes:

- The appointment of a Compliance Officer
- A direction to all employees to report any compliance related issues and Trade Practices Compliance concerns to the Compliance Officer
- A guarantee that employee(s) making a complaint or report in relation to the Group's compliance with the Act will not be victimised or disadvantaged in any way by reason of their complaint or report and confirmation that their complaint or report will be kept confidential and secure; and
- A guarantee that Cabcharge will take disciplinary action against any employee(s) who are knowingly or recklessly involved in a contravention, or attempted contravention of the relevant provisions of the Act and will not indemnify them directly or indirectly, in respect of any such involvement.

Nomination Committee

Due to the size of the Board and Group, it was determined that the duties of the Nomination Committee should be incorporated into the Audit Committee.

Continuous Disclosure

The Corporations Act 2001 and the ASX Listing Rules require that a Company discloses to the market matters which could be expected to have a material effect on the price or value of the Company's securities.

Management procedures are in place throughout the Group to ensure that all material matters which may potentially require disclosure are promptly reported to the Chief Executive Officer, through established reporting lines. Matters reported are assessed and, where required by the Listing Rules, advised to the market.

The Company Secretary is responsible for communications with the ASX (and where appropriate ASIC) and for ensuring that such information is not released to any person until the ASX has confirmed its release to the market.

Financial Report

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Consolidated Statement of Comprehensive Income

for the year ended 30 June 2010

Cabcharge Australia Limited and Its Controlled Entities

	Notes	2010 \$'000	2009 \$'000
Revenue	6	174,456	173,595
Other income	7	18	67
Processing fees to taxi networks		(14,128)	(14,422)
Costs of members taxi related services		(30,541)	(29,657)
Employee benefits expenses		(32,446)	(30,878)
Administration expenses		(11,035)	(9,503)
Transaction processing expenses		(2,606)	(2,485)
Depreciation and amortisation	8	(10,539)	(8,340)
Other expenses		(4,850)	(3,100)
Results from operating activities		68,329	75,277
Finance income	6	907	841
Finance costs	8	(6,588)	(5,864)
Net finance costs		(5,681)	(5,023)
Share of profit of equity accounted investees (net of income tax)	14(b)	12,777	11,170
Profit before income tax		75,425	81,424
Income tax expense	9(a)	(17,821)	(20,042)
Profit for the year		57,604	61,382
Earnings per share			
Basic earnings per share (AUD)	26	47.83 cents	51.00 cents
Diluted earnings per share (AUD)	26	47.83 cents	51.00 cents

Consolidated Statement of Comprehensive Income cont.

for the year ended 30 June 2010

Cabcharge Australia Limited and Its Controlled Entities

	Notes	2010 \$'000	2009 \$'000
Profit for the year		57,604	61,382
Other comprehensive income			
Foreign currency translation differences - Associates		(1,754)	(4,115)
Net change in fair value of available-for-sale financial assets		427	(28)
Income tax on other comprehensive income	9(b)	(129)	2
Other comprehensive income for the year, net of income tax		(1,456)	(4,141)
Total comprehensive income for the year		56,148	57,241
Profit attributable to:			
Owners of the Company		57,604	61,382
Non-controlling interest		-	-
Profit for the year		57,604	61,382
Total comprehensive income attributable to:			
Owners of the Company		56,148	57,241
Non-controlling interest		-	-
Total comprehensive income for the year		56,148	57,241

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the notes to the consolidated financial statements

Consolidated Statement of Financial Position

as at 30 June 2010

Cabcharge Australia Limited and Its Controlled Entities

	Notes	2010 \$'000	2009 \$'000
CURRENT ASSETS			
Cash and cash equivalents	10	30,939	28,645
Trade and other receivables	11	70,209	66,375
Advances to associates	11	13,360	-
Inventories	12	2,144	1,491
TOTAL CURRENT ASSETS		116,652	96,511
NON-CURRENT ASSETS			
Trade and other receivables	11	15,318	13,703
Financial assets	13	4,979	4,551
Investments in associates accounted for using the equity method	14	197,516	186,421
Property, plant and equipment	15	34,864	39,242
Deferred tax assets	16	4,033	4,036
Taxi plate licences	17	50,530	50,608
Goodwill	18	13,231	13,231
Intellectual property	19	11,743	10,602
TOTAL NON-CURRENT ASSETS		332,214	322,394
TOTAL ASSETS		448,866	418,905
CURRENT LIABILITIES			
Trade and other payables	20	14,715	18,224
Loans and borrowings	21	50,707	42,285
Current tax liabilities	22	5,259	7,258
Employee benefits	23	5,291	5,072
TOTAL CURRENT LIABILITIES		75,972	72,839
NON-CURRENT LIABILITIES			
Loans and borrowings	21	76,500	65,000
Deferred tax liabilities	16	1,015	786
Employee benefits	23	474	577
TOTAL NON-CURRENT LIABILITIES		77,989	66,363
TOTAL LIABILITIES		153,961	139,202
NET ASSETS		294,905	279,703
EQUITY			
Share capital	24	138,325	138,325
Reserves		(5,038)	(3,582)
Retained earnings		161,618	144,960
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF CABCHARGE AUSTRALIA LIMITED		294,905	279,703

The Consolidated Statement of Financial Position is to be read in conjunction with the notes to the consolidated financial statements

Consolidated Statement of Cash Flows

for the year ended 30 June 2010

Cabcharge Australia Limited and Its Controlled Entities

	Notes	2010 \$'000	2009 \$'000
Cash flows from operating activities			
Receipts from customers and others		1,111,049	1,153,676
Payments to suppliers, licensees and employees		(1,037,240)	(1,059,265)
Dividends received		159	2,600
Interest received		907	841
Finance costs paid		(6,341)	(6,227)
Income tax paid		(19,718)	(18,620)
Net cash provided by operating activities	34(a)	48,816	73,005
Cash flows from investing activities			
Purchase of property, plant and equipment		(6,078)	(6,188)
Payments for development of intellectual property		(2,886)	(3,947)
Other deposits		(3,585)	-
Purchase of investments			
Taxi licence plates	17(b)	-	(1,829)
Investment in associate		-	(39,827)
Other investments		-	(74)
Advances to associates		(13,229)	-
Proceeds from sale of property, plant and equipment		280	621
Net cash (used in) investing activities		(25,498)	(51,244)
Cash flows from financing activities			
Proceeds from borrowings		41,173	36,850
Repayment of borrowings		(21,251)	(13,750)
Dividends paid	25	(40,946)	(40,946)
Net cash (used in) financing activities		(21,024)	(17,846)
Net increase in cash and cash equivalents		2,294	3,915
Cash and cash equivalents at 1 July		28,645	24,730
Cash and cash equivalents at 30 June	10	30,939	28,645

The Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the consolidated financial statements

Consolidated Statement of Changes in Equity

for the year ended 30 June 2010

Cabcharge Australia Limited and Its Controlled Entities

	Notes	Share capital \$'000	Translation reserve \$'000	Fair Value reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2008		138,325	-	559	124,524	263,408
Total comprehensive income for the year						
Profit for the year		-	-	-	61,382	61,382
<i>Other comprehensive income</i>						
Foreign exchange translation differences		-	(4,115)	-	-	(4,115)
Net change in fair value of available-for-sale financial assets, net of tax		-	-	(26)	-	(26)
Total other comprehensive income		-	(4,115)	(26)	-	(4,141)
Total comprehensive income for the year		-	(4,115)	(26)	61,382	57,241
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners</i>						
Dividends to equity holders	25	-	-	-	(40,946)	(40,946)
Total contributions by and distributions to owners		-	-	-	(40,946)	(40,946)
Total transactions with owners		-	-	-	(40,946)	(40,946)
Balance at 30 June 2009		138,325	(4,115)	533	144,960	279,703
Balance at 1 July 2009		138,325	(4,115)	533	144,960	279,703
Total comprehensive income for the year						
Profit for the year		-	-	-	57,604	57,604
<i>Other comprehensive income</i>						
Foreign exchange translation differences		-	(1,754)	-	-	(1,754)
Net change in fair value of available-for-sale financial assets, net of tax		-	-	298	-	298
Total other comprehensive income		-	(1,754)	298	-	(1,456)
Total comprehensive income for the year		-	(1,754)	298	57,604	56,148
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners</i>						
Dividends to equity holders	25	-	-	-	(40,946)	(40,946)
Total contributions by and distributions to owners		-	-	-	(40,946)	(40,946)
Total transactions with owners		-	-	-	(40,946)	(40,946)
Balance at 30 June 2010		138,325	(5,869)	831	161,618	294,905

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the consolidated financial statements

Notes to the Consolidated Financial Statements

for the year ended 30 June 2010

1. Reporting entity

Cabcharge Australia Limited (the "Company") is a company domiciled in Australia. The address of the Company's registered office is 152 Riley Street, East Sydney. The consolidated financial statements of the Group as at and for the year ended 30 June 2010 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates. The Group primarily is involved in taxi related services (see note 36) and bus and coach services (through its interest in an associate).

2. Basis of Preparation

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial report also complies with the International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were approved by the Board of Directors on 23 September 2010.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for available-for-sale financial assets which are measured at fair value.

The methods used to measure fair values are discussed further in note 4.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency and the functional currency of the majority of the Group entities.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the consolidated financial statements are described in the following notes:

Note 18b - measurement of the recoverable amounts of cash-generating units

Note 23 - provisions for employee benefits

Note 35 - financial instruments and financial risk management

Notes 38 and 39 - contingencies

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements except for as discussed below:

The Group applies amended AASB 101 Presentation of consolidated financial statements (September 2007) and AASB 2007-8 Amendments to Australian Accounting Standards resulting from AASB 101, which are applicable for annual periods beginning on or after 1 January 2009. This presentation has been applied within these financial statements as of and for the year ended 30 June 2010. Since the application only affects presentation aspects of the primary financial statements, there is no impact on the financial position or financial performance of the Group.

As of 1 July 2009 the Group determines and presents operating segments based on the information that internally is provided to the CEO, who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of AASB 8 Operating Segments. Previously operating segments were determined and presented in accordance with AASB 114 Segment Reporting. The application of AASB 8 Operating Segments does not change the segment information of the Group.

Certain comparative amounts have been reclassified to conform with the current year's presentation.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

A list of controlled entities is contained in note 31 to the financial statements.

(ii) Associates (equity accounted investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Associates are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the income and expenses of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant

Notes to the Consolidated Financial Statements cont.

for the year ended 30 June 2010

3. Significant Accounting Policies cont.

influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

The financial statements or management accounts of the associate are used by the Group to apply the equity method. Reporting dates of the associate vary from that of the Group, but management accounts for the period to the Group's balance date are used for equity accounting.

Where there has been a change recognised directly in an associate's equity, the Group recognises its share of any changes and discloses this, when applicable in the consolidated statement of changes in equity.

(iii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Gains and losses are recognised when the contributed assets are consumed or sold by the equity accounted investees or, if not consumed or sold by the equity accounted investee, when the Group's interest in such entities is disposed of.

(b) Foreign Currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

(ii) Foreign operations

The income and expenses of foreign operations are translated to Australian dollars at average exchange rates in the month of the transactions.

Foreign currency differences are recognised directly in equity. Since 1 January 2004, the Group's date of transition to AASBs, such differences have been recognised in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the FCTR.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in, first-out basis and include direct materials. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(d) Intangible assets

(i) Intangible assets acquired separately

Taxi and other licences acquired separately are reported at cost less accumulated amortisation and any accumulated impairment losses. Taxi and other licences with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Taxi and other licences with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy in note 3e below.

(ii) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill and indefinite life intangible assets, from the date that they are available for use.

The amortisation rates for the current and comparative periods are as follows:

Intellectual Property	16.67%
Taxi plate licences having a finite life	2.00%

(iii) Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. When the excess is negative (negative goodwill - or discount on acquisition), it is recognised immediately in profit or loss. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit

is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(iv) Research and development

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes.

Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, borrowing and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss when incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

(e) Impairment of assets

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

Non-financial assets

At each balance date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives (including goodwill) are tested for impairment annually, and whenever there is any indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss.

(f) Leases

As lessor

Lease receivables are carried as a receivable at an amount equal to the net investment in the lease less specific and collective provisions and unearned income. Lease receivables are recognised equal to the present value of the lease payments including any guaranteed residual value. Leasing where the Group transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee are classified as finance leases. Interest earned on finance leases is recognised on a basis reflecting a constant periodic return based on the lessor's net investment outstanding in respect of the finance lease.

As lessee

Leases of fixed assets where substantially all the risks and rewards of ownership of the asset are transferred to entities in the Group are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Leased assets are depreciated on a straight line basis over the estimated useful lives of the asset or over the term of the lease.

Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Other leases are operating leases and are not recognised on the Group's statement of financial position.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expense on a straight line basis in the periods in which they are incurred.

Notes to the Consolidated Financial Statements cont.

for the year ended 30 June 2010

3. Significant Accounting Policies cont.

(g) Finance income and expense

Finance income comprises interest income on funds invested (including available-for-sale financial assets), foreign currency gains and gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, foreign currency losses and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

(h) Property, plant and equipment

Freehold land is measured at cost. Other items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment are recognised net within "other income" in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

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 consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

Items of property (excluding freehold land), plant and equipment are depreciated at rates based upon their expected useful lives using the straight line method. Leased assets are depreciated over the shorter of the lease term and their useful lives.

The depreciation rates used for each major class of asset for the current and comparative periods are:

Buildings	1% to 2.5%
Furniture, fittings, plant and equipment	5% to 33%
EFTPOS Equipment	16.67%

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

(i) Revenue

Taxi service fee revenue and other revenue are recognised upon billing of the service to the customer and is disclosed net of Goods and Services Tax ("GST") and third party credit card commissions, where applicable.

Members taxi related services consist of taxi depot and leasing fees billed every 28 days in advance. Operating revenue receipts relating to the period beyond the current financial year are shown in the statement of financial position as unearned revenue under the heading of current liabilities - Trade and other payables.

Dividend revenue is recognised when the right to a dividend has been established. Dividends received from associates are accounted for in accordance with the equity method of accounting.

Rental income from property is recognised in profit or loss on a straight-line basis over the term of the lease.

(j) 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 account service fee plus revenue from other sources. Revenue in accordance with Australian Accounting Standards is discussed at note 3(i). 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.

Payment of fares through the Cabcharge Payment System involves payment for a taxi service through a Cabcharge card, docket or e-ticket, payment through bank-issued cards (such as credit cards and bank debit cards), and payment through third-party cards (such as American Express and Diners Club).

(k) Employee benefits

Wages, salaries and annual leave

Liabilities for employee benefits for wages, salaries and annual leave represent the present obligations resulting from employees' services provided up to reporting date. The provisions have been calculated at undiscounted amounts based on expected wage and salary rates that the Group expects to pay as at reporting date and include related on-costs, such as workers' compensation insurance and payroll tax. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long service leave

The provision for employee benefits for long service leave represents the present value of the estimated future cash outflows to be made by the Group resulting from employees' services provided up to the reporting date. The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to national government bonds at reporting date which most closely match the terms of maturity of the related liabilities.

Superannuation plans

The Group contributes to defined contribution superannuation funds for the benefit of employees or their dependants on retirement, resignation, disablement or death. The Group contributes a percentage of individual employees' gross income and employees may make additional contributions on a voluntary basis. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in profit or loss when they are due.

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(l) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and associates and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Tax consolidation

The Company and its wholly-owned Australian resident entities have formed a tax consolidated group and are therefore taxed as a single entity. The head entity within the tax consolidated group is Cabcharge Australia Limited.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the 'group allocation' method consistent with IAS 1052 *Tax Consolidation Accounting*.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries is assumed by the head entity in the tax-consolidated group and are recognised as amounts payable (receivable) to (from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts.

The tax funding arrangements require payments to/from the head entity equal to the current tax liability/(asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/(payable) equal in amount to the tax liability/(asset) assumed. The inter-entity receivable/(payable) is at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity in conjunction with other members of the tax-consolidated group, has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

(m) Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit attributable to equityholders for the reporting period by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit attributable to equityholders for the reporting period by the weighted average number of ordinary shares outstanding including dilutive potential ordinary shares.

(n) Segment reporting

As of 1 July 2009 the Group determines and presents operating segments based on the information that internally is provided to the CEO, who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of AASB 8 Operating Segments. Previously operating segments were determined and presented in accordance with AASB 114 Segment Reporting. The application of AASB 8 Operating Segments does not change the segment information of the Group.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Notes to the Consolidated Financial Statements cont.

for the year ended 30 June 2010

3. Significant Accounting Policies cont.

(o) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Recognition and derecognition

Non-derivative financial instruments are initially measured at fair value on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below. A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method, less any impairment losses.

Available-for-sale financial assets

The Group's investments in equity securities are classified as available-for-sale financial assets. Available-for-sale financial assets include the Group's investments in equity securities. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value other than impairment losses and foreign exchange gains and losses on available-for-sale monetary items are taken directly to equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation using the effective interest rate method.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Dividends

Dividends are recognised as a liability in the period in which they are declared.

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(q) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2010, but have not been applied in preparing this financial report.

- AASB 9 *Financial Instruments* includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 will become mandatory for the Group's 30 June 2014 financial statements. Retrospective application is generally required, although there are exceptions, particularly if the entity adopts the standard for the year ended 30 June 2012 or earlier. The Group has not yet determined the potential effect of the standard.
- AASB 124 *Related Party Disclosures* (revised December 2009) simplifies and clarifies the intended meaning of the definition of a related party and provides a partial exemption from the disclosure requirements for government-related entities. The amendments, which will become mandatory for Group's 30 June 2012 financial statements, are not expected to have any impact on the financial statements.
- AASB 2009-5 *Further amendments to Australian Accounting Standards arising from the Annual Improvements Process* affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Group's 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.

- AASB 2009-8 *Amendments to Australian Accounting Standards - Group Cash-settled Share-based Payment Transactions* resolves diversity in practice regarding the attribution of cash-settled share-based payments between different entities within a group. As a result of the amendments AI 8 Scope of AASB 2 and AI 11 AASB 2 - *Group and Treasury Share Transactions* will be withdrawn from the application date. The amendments, which become mandatory for the Group's 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.

Other standards, amendments and interpretations that are not yet effective are not expected to have a material effect on the Group's consolidated financial statements when they become mandatory.

4. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items.

(ii) Intangible assets

The fair value of taxi licence plates is based on either the market value of the taxi licences applicable to the region in which the taxi operates or, where a market value is unable to be determined, the discounted cash flows expected to be derived from the use and eventual sale of the assets. The fair value of other intangible assets (mainly goodwill) is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(iii) Inventories

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(iv) Investments in equity securities

The fair value of available-for-sale financial assets is determined by reference to their quoted bid price at the reporting date. Marketable shares included in "Other financial assets" are traded in an organised financial market. The net fair value of marketable shares is determined by valuing them at the current quoted market sell price. The carrying amount of cash, deposits, accounts receivable and accounts payable approximate net fair value. Investments in unlisted securities are reflected at cost - directors appraisals are undertaken as necessary to reflect substantial changes affecting the net fair value of investments.

(v) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(vi) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option. For finance leases the market rate of interest is determined by reference to similar lease agreements.

(vii) Financial guarantees

For financial guarantee contract liabilities, the fair value at initial recognition is determined using a probability weighted discounted cash flow approach. This method takes into account the probability of default by the guaranteed party over the term of the contract, the loss given default (being the proportion of the exposure that is not expected to be recovered in the event of default) and exposure at default (being the maximum loss at the time of default).

	2010 \$'000	2009 \$'000
5. Total Turnover	1,095,823	1,130,872

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 Cabcharge's account service fee plus all revenue from other sources. The Cabcharge account service fee income is a commission 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 (see note 6 below).

Cabcharge assumes the credit risk for the full value of each transaction (i.e. the amount stated above). Credit risk is further discussed at Note 35(c).

Revenue in accordance with Australian Accounting Standards is disclosed at note 6 and the accounting policy at note 3(i).

Notes to the Consolidated Financial Statements cont.

for the year ended 30 June 2010

	2010 \$'000	2009 \$'000
6. Revenue and income		
From operating activities		
Taxi service fee income	84,591	87,461
Members taxi related services	77,078	73,625
Dividends received		
- other corporations	159	191
Rental revenue	180	181
Other revenue	12,448	12,137
	174,456	173,595
Finance income		
Other persons - interest income	907	841
7. Other income		
Gain on disposal of property plant and equipment	18	67
Other income	18	67
8. Expenses		
Profit before related income tax includes the following expenses:		
Depreciation of property, plant and equipment	8,541	7,904
Amortisation of intangibles	1,998	436
Total depreciation and amortisation	10,539	8,340
Finance costs		
Other persons - interest expense	6,588	5,864
Employee benefits expense		
Included in total employee benefits expense are contributions to defined contribution / accumulation type superannuation funds	2,372	2,623
9. Income tax expense		
(a) Recognised in the Statement of Comprehensive Income		
Cabcharge Australia Ltd and its wholly owned Australian resident subsidiaries form a tax consolidated group. The current tax rate applicable to the group is 30%.		
Current income tax expense		
Current year	18,716	21,027
Adjustments for prior year	(792)	(708)
	17,924	20,319
Deferred tax expense		
Origination and reversal of temporary differences	(103)	(277)
Total income tax expense in the Statement of Comprehensive Income	17,821	20,042
Numerical reconciliation between tax expense and pre-tax profit		
Pre-tax profit	75,425	81,424
Prima-facie income tax using the corporate tax rate of 30% (2009: 30%)	22,628	24,427
Add tax effect of:		
Non-deductible depreciation	28	28
Timing differences and tax losses not brought to account	1	10
Other non allowable items	8	13
	22,665	24,478

	2010 \$'000	2009 \$'000
Less tax effect of:		
Rebateable fully franked dividends	(32)	(32)
Over provision for income tax in prior year	(792)	(708)
Share of net profit of associate	(3,833)	(3,351)
Investment allowance	(187)	(345)
Income tax expense attributable to profit before income tax	17,821	20,042
Income tax expense	17,821	20,042
Effective tax rate on pre-tax profit	23.6%	24.6%
(b) Recognised directly in equity		
Revaluations of available for sale financial assets	129	(2)

10. Cash and cash equivalents

Cash on hand and at bank	8,815	13,521
Money market deposits	22,124	15,124
Balance per consolidated statement of cash flows	30,939	28,645

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed at note 35.

11. Trade and other receivables

Current

Trade receivables	47,811	46,586
Finance lease receivables	9,604	8,393
Accumulated impairment losses	(735)	(786)
	56,680	54,193
Amounts receivable from:		
Other debtors	13,529	12,182
	70,209	66,375
Advances to associates	13,360	-
Total current	83,569	66,375

Non-current

Finance lease receivables	15,318	13,703
Movement in allowance for impairment		
Balance at the beginning of the year	(786)	(1,072)
Doubtful debts (recognised) / derecognised	(201)	(324)
Amount written off as uncollectable	252	610
Balance at the end of the year	(735)	(786)

Impaired receivables are those receivables for which a specific doubtful debt provision has been recognised. Receivables that are past due but not impaired are those receivables the directors believe to be fully recoverable and as a result, have not recognised any amount in the doubtful debt provision for them.

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed at note 35.

Notes to the Consolidated Financial Statements cont.

for the year ended 30 June 2010

11. Trade and other receivables cont.

Finance leases of the Group are receivable as follows:

	2010 YEAR			2009 YEAR		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Less than one year	12,058	2,454	9,604	10,689	2,296	8,393
Between one and five years	17,647	2,329	15,318	15,807	2,104	13,703
	29,705	4,783	24,922	26,496	4,400	22,096

There have been no unguaranteed residual values. No lease payments are considered uncollectible at the reporting date.

	2010 \$'000	2009 \$'000
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12. Inventories

At lower of cost and net realisable value

Motor vehicles - at cost	366	221
Parts, safety cameras and sundries - at cost	1,778	1,270
	2,144	1,491

13. Financial assets

Market value of listed investments - available-for-sale

Shares in other listed corporations	3,295	2,867
Unlisted investments - available-for-sale		
Shares in other corporations	1,684	1,684
	4,979	4,551

Sensitivity analysis – equity price risk

All of the Group's listed equity investments are listed on either the Australian Securities Exchange (ASX) or the Singapore Stock Exchange (SGX). For such investments classified as available-for-sale, a 10% increase in the ASX 200 plus a 10% increase in the SGX at the reporting date would have increased equity by \$231,000 after tax (2009: an increase of \$201,000); an equal change in the opposite direction would have decreased equity by an equal but opposite amount. The analysis is performed on the same basis for 2009.

14. Associated companies

Name	Principal Activities	Country of Incorporation	Reporting Period	Ownership Interest		Carrying Amount of Investment	
				2010 %	2009 %	2010 \$'000	2009 \$'000
ComfortDelGro Cabcharge Pty Ltd ("CDC") ^{#1}	Bus & coach services	Australia	31 December	49	49	128,977	117,780
CityFleet (UK) Pte Ltd	Taxi related services	Singapore	31 December	49	49	68,539	68,641
						197,516	186,421

^{#1} - CDC owns bus and coach operations in Australia and the United Kingdom.

	2010 \$'000	2009 \$'000
a. Movements during the year in equity accounted investment in associated companies		
Balance at beginning of the financial year	186,421	141,948
Additional investments during the year	-	39,827
Foreign exchange translation differences and others	(1,682)	(4,115)
Share of associates' profit after income tax	12,777	11,170
Dividend received from associate	-	(2,409)
Balance at end of the financial year	197,516	186,421
b. Equity accounted profits of associates are broken down as follows:		
Share of associates' profit before income tax expense	14,375	15,648
Share of associates' income tax expense	(1,598)	(4,478)
Share of associates' profit after income tax	12,777	11,170
c. Summarised presentation of aggregate assets, liabilities and performance of associates (all 100% figures)		
Current assets	86,387	65,041
Non-current assets	804,041	628,313
Total assets	890,428	693,354
Current liabilities	(136,449)	(86,951)
Non-current liabilities	(474,753)	(327,358)
Total liabilities	(611,202)	(414,309)
Net assets	279,226	279,045
Revenues	406,714	365,069
Profit after income tax of associates	26,076	22,797

d. Impairment Testing

As there is no active market for the businesses operated by the associate companies, the recoverable amount from the investments has been determined based on value-in-use using a discounted projected cash flow model.

ComfortDelGro Cabcharge Pty Ltd, with its operations in the Australian and UK bus and coach businesses, continues to perform strongly in line with expectations. There are no indications of impairment for this investment.

Cityfleet (UK) Pte Ltd, with its operations in the UK taxi account payment business, has performed below expectations during the 2010 financial year. This deterioration has been as a result of the continuing downturn in UK market conditions arising from the Global Financial Crisis and the volcanic eruption in Iceland. Consequently the Group has assessed the recoverable amount of this investment at 30 June 2010. In assessing the recoverable amount of this investment, the Group has adopted an average 7.4% growth forecast for each of the 5 years, plus a terminal value of 2.75% and a discount rate of 6.81% after considering the development period leading to the London 2012 Olympic Games. The recoverable amount, based on its value in use, was determined to be higher than the carrying amount of the investment, resulting in no impairment loss.

Notes to the Consolidated Financial Statements cont.

for the year ended 30 June 2010

	2010 \$'000	2009 \$'000
15. Property, plant and equipment		
(a) Composition		
Land - at cost	8,647	8,647
Buildings - at cost	8,611	8,608
Accumulated depreciation	(2,072)	(1,826)
	6,539	6,782
Total land and buildings	15,186	15,429
Furniture, fittings, plant and equipment - at cost	32,699	31,436
Accumulated depreciation	(24,987)	(22,107)
	7,712	9,329
Eftpos equipment - at cost	33,784	30,887
Accumulated depreciation	(21,818)	(16,403)
	11,966	14,484
	34,864	39,242

(b) Movement in carrying amounts

	Land & Buildings \$'000	Furniture fittings, plant and equipment \$'000	Eftpos equipment \$'000	Total \$'000
Movements 2010:				
Balance at the beginning of the year	15,429	9,329	14,484	39,242
Additions	3	1,699	2,897	4,599
Reclassifications	-	(175)	-	(175)
Disposals	-	(261)	-	(261)
Depreciation expense	(246)	(2,880)	(5,415)	(8,541)
Carrying amount at the end of the year	15,186	7,712	11,966	34,864
Movements 2009:				
Balance at the beginning of the year	15,675	9,800	14,677	40,152
Additions	-	3,257	4,409	7,666
Reclassifications	-	(106)	83	(23)
Disposals	-	(649)	-	(649)
Depreciation expense	(246)	(2,973)	(4,685)	(7,904)
Carrying amount at the end of the year	15,429	9,329	14,484	39,242

(c) Fair market value of land and buildings

The fair market value of the Group's land and buildings is assessed to be \$27,775,000 based on independent valuations. Valuations of properties located in Sydney were valued by an independent valuer as at 30 June 2010, the total value of which was \$22,900,000. Valuation of the Group's property located in Melbourne was valued by an independent valuer as at 30 June 2010 at \$3,375,000. In the 2007 financial year, a valuation of \$1,500,000 was obtained for a property in Newcastle, NSW, which was acquired through the Group's acquisition of Newcastle Taxis Pty Ltd.

The properties in Sydney and Newcastle were valued by Wayne Wotton, FAPI, Registered Valuer No 2221. The property in Melbourne was valued by Henry Lee, B.Bus (Prop), AAPI, Registered Valuer No 63047.

	2010 \$'000	2009 \$'000		
16. Deferred tax assets and liabilities				
Recognised deferred tax assets and liabilities are attributable to the following:				
Assets				
Accumulated impairment losses - receivables	220	236		
Provision for employee entitlements	1,730	1,693		
Accruals	184	158		
Higher tax cost bases arising from business combinations	1,890	1,890		
Tax losses	9	59		
Total deferred tax assets	4,033	4,036		
Liabilities				
Prepayments	(467)	(460)		
Lower tax cost bases arising from business combinations	(23)	(23)		
Revaluations of available for sale financial assets	(352)	(223)		
Other taxable temporary differences	(173)	(80)		
Total deferred tax liabilities	(1,015)	(786)		
Net deferred tax asset	3,018	3,250		
Movement in temporary differences:				
	Opening Balance	Charged to Income	Charged to Equity	Closing Balance
	\$'000	\$'000	\$'000	\$'000
Movements 2010:				
Accumulated impairment losses - receivables	236	(16)	-	220
Provision for employee entitlements	1,693	37	-	1,730
Accruals	158	26	-	184
Prepayments	(460)	(7)	-	(467)
Higher tax cost bases arising from business combinations	1,890	-	-	1,890
Lower tax cost bases arising from business combinations	(23)	-	-	(23)
Revaluations of available for sale financial assets	(223)	-	(129)	(352)
Tax losses	59	(50)	-	9
Taxable temporary differences	(80)	(93)	-	(173)
	3,250	(103)	(129)	3,018
Movements 2009:				
Accumulated impairment losses - receivables	322	(86)	-	236
Provision for employee entitlements	1,546	147	-	1,693
Accruals	179	(21)	-	158
Prepayments	(281)	(179)	-	(460)
Higher tax cost bases arising from business combinations	1,890	-	-	1,890
Lower tax cost bases arising from business combinations	(23)	-	-	(23)
Revaluations of available for sale financial assets	(225)	-	2	(223)
Tax losses	119	(60)	-	59
Taxable temporary differences	-	(80)	-	(80)
	3,527	(279)	2	3,250

Notes to the Consolidated Financial Statements cont.

for the year ended 30 June 2010

	2010 \$'000	2009 \$'000
17. Taxi plate licences		
(a) Composition		
Indefinite life		
Taxi plate licences - perpetual - at cost	46,800	46,800
Accumulated impairment loss	-	-
Finite life		
Taxi plate licences - 50 year renewable - at cost	3,890	3,890
Accumulated amortisation	(160)	(82)
Accumulated impairment loss	-	-
	50,530	50,608
The remaining period for amortisation of finite life taxi plate licences is 48 years		
(b) Movement in carrying amounts		
Balance at the beginning of the year	50,608	48,820
Other additions	-	1,829
Amortisation	(78)	(41)
Balance at the end of the year	50,530	50,608
(c) Impairment testing		
Taxi plate licences have been tested for impairment by comparing the carrying value with the market value of the licences at the end of the period less costs to sell. Market value has been assessed by reference to recent sales activity in the regions in which the taxi licences operate.		

18. Goodwill

(a) Composition		
Goodwill	13,231	13,231
Accumulated impairment loss	-	-
	13,231	13,231

- (b) Impairment testing**
- Goodwill has been tested for impairment as shown in the table below and no impairment losses apply. Assessment of the recoverable amount for each asset has been performed using a value-in-use calculation. To determine value-in-use, cash flows have been projected for five years based on actual operating results for the current year (with a conservative nil growth assumption) plus a terminal value after 5 years. A pre-tax discount rate of between 9 and 10%, as shown in the table below, was applied in determining the recoverable amount of the units. The discount rate was estimated based on an industry average weighted average cost of capital. The relevant cash generating unit ("CGU") used in the discounted cash flow calculations comes from the operations of (1) Black Cabs Combined Pty Limited (BCC); (2) Combined Communications Network Pty Limited (CCN); or (3) Cabcharge Australia Limited (CAB) which represent the lowest level within which the goodwill is monitored for internal management purposes.

Intangible detail Goodwill	CGU	BOOK VALUE			IMPAIRMENT LOSS	
		2010 \$'000	2009 \$'000	Discount Rate	2010 \$'000	2009 \$'000
Cabcharge account customer acquisitions	CAB	2,658	2,658	9%	-	-
South Western Cabs taxi customer base	CCN	2,600	2,600	9%	-	-
ABC Taxis' goodwill on acquisition	CCN	29	29	9%	-	-
Black Cabs' goodwill on acquisition	BCC	6,055	6,055	10%	-	-
Newcastle Taxis' goodwill on acquisition	CCN	943	943	9%	-	-
Europa business	CAB	946	946	9%	-	-
Total Goodwill		13,231	13,231		-	-

	2010 \$'000	2009 \$'000
19. Intellectual property		
(a) Composition		
Intellectual property at cost	14,315	11,254
Accumulated amortisation	(2,572)	(652)
Accumulated impairment loss	-	-
	11,743	10,602

(b) Movement in carrying amounts		
Balance at the beginning of the year	10,602	7,049
Additions	2,886	3,947
Reclassifications	175	-
Amortisation	(1,920)	(394)
Balance at the end of the year	11,743	10,602

20. Trade and other payables

Trade payables	5,434	5,084
Other payables and accruals	8,643	9,151
Unearned revenue	638	3,989
	14,715	18,224

For more information about the Group's exposure to foreign currency and liquidity risk, see note 35.

21. Loans and borrowings

(a) Composition		
Unsecured loans	4,207	4,134
Bank bills	123,000	103,151
	127,207	107,285
(b) Disclosure in the statement of financial position		
Current liability	50,707	42,285
Non-current liability	76,500	65,000
	127,207	107,285

The unsecured loans are at-call and bear variable interest rates (current year at 4.75% to 5.75%). All bank bills are denominated in Australian dollars. The bank bills are secured by a registered first mortgage over all commercial properties and first registered charge over the fixed and floating assets of the Group. The bank bill facility is a revolving facility and is reviewed annually with the bank. Subject to negotiation at the next review with the bank, \$46.5m is repayable within 12 months and \$76.5m is non-current. Of the non-current portion, \$53.75m is repayable in 2012, \$3m in 2013 and \$19.75m in 2014 financial year.

Bank bills bear interest at the rate from 4.45% to 7.65%.

For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see note 35.

22. Current tax liabilities

Income tax	5,259	7,258
The current tax liability for the Group represents the amount of income taxes payable in respect of current and prior financial periods.		

23. Employee benefits

(a) Composition		
Annual leave provision	3,463	3,492
Long service leave provision	2,302	2,157
	5,765	5,649
(b) Disclosure in the statement of financial position		
Short-term provision	5,291	5,072
Long-term provision	474	577
	5,765	5,649

Notes to the Consolidated Financial Statements cont.

for the year ended 30 June 2010

	2010 (number)	2009 (number)
24. Share capital		
(a) Composition and movement in issued capital (number of shares)		
Composition of issued capital		
Fully Paid Ordinary Shares	120,430,683	120,430,683
Movements in ordinary shares		
Number at the beginning of the reporting period	120,430,683	120,430,683
Number at the end of reporting period	120,430,683	120,430,683

	2010 \$'000	2009 \$'000
(b) Composition and movement in share capital (dollars)		
Composition of Share Capital		
Fully Paid Ordinary Shares	138,325	138,325
Movements in Ordinary Shares		
Paid up amount at the beginning of the reporting period	138,325	138,325
Paid up amount at the end of reporting period	138,325	138,325

(c) Options over unissued shares

No options were granted during the year and there were no options outstanding at the end of the financial year.

(d) Terms and conditions applicable to Ordinary Shares

Holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation. The Company's shares do not have a par value.

25. Dividends

The following fully franked dividends were paid, franked at a tax rate of 30%

2010 year interim - 17.0 cents per share	20,473	-
2009 year final - 17.0 cents per share	20,473	-
2009 year interim - 17.0 cents per share	-	20,473
2008 year final - 17.0 cents per share	-	20,473
Total dividends paid	40,946	40,946
Dividends cents per share - Paid / Payable		
Interim	17.00	17.00
Final	17.00	17.00
Total	34.00	34.00

The final 17.00 cents per share fully franked dividend was declared after balance date and has not been provided for. It is scheduled for payment on 29 October 2010. The declaration and subsequent payment of dividends has no income tax consequences to the Company. The financial effect of these dividends have not been brought to account in the financial statements for the financial year ended 30 June 2010 and will be recognised in subsequent financial reports.

26. Earnings per share (EPS)

	2010	2009
Consolidated profit attributable to ordinary shareholders of the Company <i>(in thousands of AUD)</i>	57,604	61,382
Weighted average number of fully paid ordinary shares outstanding during the year used in calculation of basic EPS <i>(in thousands of shares)</i>	120,431	120,431
As there are no unexercised options (and there were none in the previous year) the weighted average number of ordinary shares outstanding used in calculation of diluted EPS is the same as for basic EPS.		
Basic EPS	47.83 cents	51.00 cents
Diluted EPS	47.83 cents	51.00 cents

	2010 \$'000	2009 \$'000
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27. Dividend franking balance

Balance at the end of the financial year including franking credits arising from income tax payable in respect of the financial year

55,178 54,919

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

- (a) franking credits that will arise from the payment of the current tax liabilities;
- (b) franking debits that will arise from the payment of dividends recognised as a liability at the year-end;
- (c) franking credits that will arise from the receipt of dividends recognised as receivables by the tax consolidated group at the year-end; and
- (d) franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. The impact on the dividend franking account of dividends proposed after the balance sheet date but not recognised as a liability is to reduce it by \$8,774,000 (2009: \$8,774,000). In accordance with the tax consolidation legislation, the Company as the head entity in the tax-consolidated group has also assumed the benefit of \$55,178,000 (2009: \$54,919,000) franking credits.

The franking balance is disclosed on the income tax paid basis. Therefore, based on a 30% tax rate, fully franked dividends amounting to \$128,749,000 could potentially be paid to shareholders.

28. Parent entity disclosures

As at, and throughout, the financial year ended 30 June 2010 the parent entity of the Group was Cabcharge Australia Limited.

	PARENT ENTITY	
	2010 \$'000	2009 \$'000
Result of the parent entity		
Profit for the year	44,797	50,996
Other comprehensive income	308	[4]
Total comprehensive income for the year	45,105	50,992
Financial position of parent entity at year end		
Current assets	97,314	77,321
Non-current assets	415,327	417,494
Total assets	512,641	494,815
Current liabilities	61,727	59,800
Non-current liabilities	218,976	207,229
Total liabilities	280,703	267,029
Total equity of the parent entity comprising of:		
Share capital	138,325	138,325
Revaluation reserve	828	526
Retained earnings	92,785	88,935
Total Equity	231,938	227,786

Parent entity contingencies

The directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

		PARENT ENTITY	
	Note	2010 \$'000	2009 \$'000
Contingent liabilities not considered remote			
ACCC Proceedings	(i)	-	-
Financial Guarantees	(ii)	-	-

Notes to the Consolidated Financial Statements cont.

for the year ended 30 June 2010

28. Parent entity disclosures cont.

- (i) The ACCC commenced proceedings in June 2009 against Cabcharge for alleged breaches of ss 45 & 46 of the Trade Practices Act 1974. We are hopeful of a reasonable outcome for the Company. At this time, no provision has been made in the accounts in respect of this matter. The information required by AASB 137 Provisions, Contingent Liabilities and Contingent Assets, is not disclosed on the grounds that it may prejudice the outcome of the matter.
- (ii) The Company's 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 \$ 163 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 financial guarantee contract is estimated to be zero based on the Directors' assessment of the probability of a default event.

Parent entity capital expenditure commitments

	PARENT ENTITY	
	2010 \$'000	2009 \$'000
Capital expenditure commitments		
Contracted but not provided for and payable:		
Within one year	-	2,000
	-	2,000
	2010	2009
	\$	\$

29. Key Management Personnel ("KMP") disclosures

a) KMP compensation

Short-term employee benefits - salary, fees, short-term benefits & non-cash benefits	5,211,527	5,546,562
Short-term employee benefits - cash bonus	506,000	575,000
Post-employment benefits - superannuation & other benefits	447,531	535,293
Termination benefits	40,671	450,000
	6,205,729	7,106,855

The Company has taken advantage of the relief provided by *Corporations Act Regulation 2M.3.03* and has transferred the detailed remuneration disclosures to the Directors' Report. The relevant information can be found in the Remuneration Report within the Directors' Report.

b) Number of shares held by KMP:

The number of shares in the Company held during the financial year by each Director of Cabcharge Australia Ltd and the KMP of the Group, including their personally related parties, are set out below. No shares were granted during the period as compensation.

	Balance 1 July 2008	Net change 2009 year	Balance 30 June 2009	Net change 2010 year	Balance at 30 June 2010
Directors of Cabcharge Australia Ltd					
Mr RL Kermode	1,100,000	-	1,100,000	(200,000)	900,000
Mr IA Armstrong	250,000	-	250,000	-	250,000
Mr ND Ford	809,500	(234,212)	575,288	(260,288)	315,000
Mr PJ Hyer	1,171,260	-	1,171,260	(45,000)	1,126,260
Mr DS McMichael	14,000	-	14,000	-	14,000
Mr NK Wran	250,000	(65,200)	184,800	-	184,800
Other KMP of the Group					
Ms S Doyle	5,200	-	5,200	-	5,200
Mr WF Lukabyo	2,450	-	2,450	-	2,450
Ms A Rein	5,000	3,000	8,000	(3,000)	5,000
Mr R Roozendaal	2,353	-	2,353	-	2,353
Mr A Skelton	200	753	953	-	953
	3,609,963	(295,659)	3,314,304	(508,288)	2,806,016

c) Loans to Directors and other KMP

No loans are made to Directors or other KMP.

d) Other transactions with Directors and other KMP

No other transactions are made to Directors or other KMP (2009:-).

	2010 \$	2009 \$
30. Remuneration of auditors		
Audit services		
Auditors of the Company		
KPMG Australia		
Audit and review of financial reports	290,000	264,404
Other services		
Auditors of the Company		
KPMG Australia		
Taxation services	95,000	65,308
Other auditors		
Audit and other services	9,966	9,462
	394,966	339,174

31. Particulars relating to controlled entities

	Country of Incorporation	Group Interest %	Group Interest %
		2010	2009
Combined Communications Network Pty Ltd	Australia	100	100
Taxi Combined Services Pty Ltd	Australia	100	100
Silver Service Taxis Pty Ltd	Australia	100	100
Yellow Cabs of Sydney Pty Ltd	Australia	100	100
Cabcharge International Limited	Hong Kong	100	100
Cabcharge New Zealand Limited	New Zealand	100	100
Cabcharge Investments Pty Ltd	Australia	100	100
Helpline Australia Pty Ltd	Australia	100	100
Taxi Combined Services (Vic) Pty Ltd	Australia	100	100
TCS Communications (Vic) Pty Ltd	Australia	100	100
Carbodies Australia Pty Ltd	Australia	100	100
Combined Network Couriers Pty Ltd	Australia	100	100
Enterprise Speech Recognition Pty Ltd	Australia	100	100
Black Cabs Combined Pty Ltd	Australia	100	100
North Suburban Taxis Pty Ltd	Australia	100	100
Yellow Cabs Victoria Pty Ltd	Australia	100	100
Access Communications Net Pty Ltd	Australia	100	100
Silver Service (Victoria) Pty Ltd	Australia	100	100
ABC Radio Taxi Pty Ltd	Australia	100	100
Voci-Asia Pacific Pty Ltd	Australia	100	100
South Western Cabs (Radio Room) Pty Ltd	Australia	100	100
ComGroup Melbourne Pty Ltd	Australia	100	100
135466 Pty Ltd	Australia	100	100
Newcastle Taxis Pty Ltd	Australia	100	100
Taxi Services Management Pty Ltd	Australia	100	100
Arrow Taxi Services Limited	Australia	100	100
EFT Solutions Pty Ltd	Australia	100	100
Thirteen Hundred Pty Ltd	Australia	100	100
D.B. Contractors Pty Ltd	Australia	100	-
Go Taxis Pty Ltd	Australia	100	-
Cabcharge North America Ltd	USA	93	93

In the financial information of the Company (refer note 28) investments in subsidiaries are measured at cost.

Notes to the Consolidated Financial Statements cont.

for the year ended 30 June 2010

32. Related party information

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties are as follows -

Nature of Transaction	Name	Relationship	Note	2010 \$	2009 \$
(a) Fees paid or payable in capacity as taxi company	Cumberland Cabs Company Pty Ltd, Northern Districts Taxis & Western District Taxis (Trading as Premier Cabs)	Director related entity (Mr P Hyer)		1,144,444	1,177,478
	Queensland Taxi Investment Pty Ltd (Trading as Yellow Cabs)	Director related entity (Mr N Ford)		1,623,841	1,703,401
	Regent Taxis Ltd	Director related entity (Mr N Ford)		338,941	331,983
	Combined Communications Network Pty Ltd	Related party - subsidiary		5,003,192	5,625,459
	Newcastle Taxis Pty Ltd	Related party - subsidiary		117,309	117,778
	Black Cabs Combined Pty Ltd	Related party - subsidiary		2,401,456	2,555,336
	Arrow Taxis Services Pty Ltd	Related party - subsidiary		74,437	80,521
(b) Fees received or receivable for services	Queensland Taxi Investment Pty Ltd (Trading as Yellow Cabs)	Director related entity (Mr N Ford)		115,196	182,767
	ComfortDelGro Cabcharge Pty Ltd	Associate		20,000	895,106
(c) Loans from subsidiary to the parent entity				(141,584,776)	(141,584,776)
The loans are from subsidiaries with common directors to Cabcharge. The loans are repayable on demand, non-interest bearing and are held at face value. The directors have determined that the loan will not be called upon within the 12 months from reporting date.					
(d) Other amounts receivable by the parent entity from	Wholly owned subsidiaries		(i)	22,899,155	19,896,771
	Associates		(ii)	13,360,235	-
(i) Current account and non-interest bearing.					
(ii) Repayable on demand, interest rate charged at the prevailing market rate.					

			2010 (number)	2009 (number)
(e) No of Fully Paid Ordinary Shares held by ComfortDelGro Corporation Ltd (Singapore)	Director related entity (Mr Kua Hong Pak)		8,980,676	8,980,676

	2010 \$'000	2009 \$'000
Capital expenditure commitments:		
Payable not later than 1 year	8,000	5,000
	8,000	5,000

33. Capital expenditure commitments

Capital expenditure commitments:

Payable not later than 1 year	8,000	5,000
	8,000	5,000

	2010 \$'000	2009 \$'000
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34. Notes to the cash flow statements

(a) Reconciliation of net cash provided by operating activities with profit from ordinary activities after income tax

Profit from ordinary activities after income tax	57,604	61,382
Non-cash flows in profit from ordinary activities		
Depreciation and amortisation	10,539	8,340
Net (profit) / loss on disposal of property, plant and equipment	(18)	28
Non-cash finance income	(131)	-
Share of associate companies net profit after income tax	(12,777)	(11,170)
Dividend received from associate	-	2,409
Changes in assets and liabilities, net of the effects of purchase of subsidiaries -		
Change in trade and other debtors	(1,936)	5,235
Change in inventories	(653)	705
Change in creditors and accruals	(2,032)	4,083
Change in provisions	116	496
Change in income taxes payable	(1,999)	1,220
Change in deferred tax balances	103	277
Net cash provided by operating activities	48,816	73,005

(b) Financial Facilities

Bank Overdraft and Loan Limits

Overdraft facility	1,100	1,100
Bills facility	108,500	117,250
Tape Negotiation Authority	400	400
Master Asset Finance Facility	1,000	1,000
Multi Option Facility	30,000	30,000
Total Facility	141,000	149,750
Amount used (including \$250,000 Bank Guarantee)	123,250	103,151
Amount unused	17,750	46,599

(c) Restricted Cash

There was no restricted cash at 30 June 2010 (30 June 2009: \$nil).

35. Financial instruments and financial risk management

(a) Overview

The Group has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital.

(b) Financial risk management objectives

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Risk Oversight & Management Committee, which is responsible for developing and monitoring risk management policies. The committee reports regularly to the Board of Directors on its activities.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through their training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit, Risk & Nomination Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Notes to the Consolidated Financial Statements cont.

for the year ended 30 June 2010

35. Financial instruments and financial risk management cont.

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, associates and investment securities.

Trade and other receivables

The Group has exposures to credit risk, excluding the value of any collateral or other security, at balance date for recognised financial assets at the carrying amount, net of any allowance for impairment of those assets as disclosed in the statement of financial position and notes to the financial statements.

The Group minimises concentration of credit risk in relation to trade accounts receivable by undertaking transactions with a large number of customers. However, all the customers are concentrated in Australia.

Credit risk in trade receivables is managed in the following ways:

- The Risk Oversight & Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered
- Payment terms are 28 days
- A risk assessment process is used for customers over 90 days; and
- Cash or bank guarantee is obtained where appropriate.

The Group assumes the credit risk for the full value of taxi fares settled through the Cabcharge Payment System (see note 5).

The maximum exposure to credit risk at the reporting date was the sum of cash and cash equivalents disclosed in note 10, the total value of trade and other receivables disclosed in note 11 and other financial assets disclosed in note 13.

The Group has established an allowance for impairment that represents their estimate of incurred losses in respect of trade and other receivables and investments. An allowance has been made for estimated irrecoverable amounts from billings. The main component of this allowance is a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Ageing of trade and finance lease receivables

	2010 YEAR			2009 YEAR		
	Gross \$'000	Impairment \$'000	Net \$'000	Gross \$'000	Impairment \$'000	Net \$'000
Not past due	59,305	(126)	59,179	52,823	(112)	52,711
Past due 1 - 30 days	10,647	(90)	10,557	12,307	(115)	12,193
Past due 31 - 60 days	1,563	(90)	1,473	1,824	(103)	1,722
Past due 61 - 90 days	355	(110)	245	528	(122)	406
Past due over 90 days	863	(319)	544	1,200	(335)	865
	72,733	(735)	71,998	68,682	(786)	67,896

Details of the movement in the allowance for impairment in respect of trade and finance lease receivables during the year are provided in note 11.

No credit terms have been re-negotiated with customers.

Collateral is held in the case of finance lease receivables, where the Group holds a lien over the leased asset. The market value of such collateral is not expected to vary materially from the net investment value of the finance lease receivables.

There has been no change in credit risk policies during the financial year.

Investments

The Group limits its exposure to credit risk by only investing in liquid securities and having deposits with top rated financial institutions.

(d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group undertakes the following activities to ensure that there will be sufficient funds available to meet obligations:

- Prepare budgeted annual, monthly and daily cash flows,
- Monitor actual cash flows on a daily basis and compare to budgeted daily cash flows,
- Maintain standby money market and commercial overdraft facilities, and
- Maintain committed borrowing facility in excess of budgeted usage levels.

There has been no change in liquidity risk policies during the financial year.

Maturity profile of financial liabilities by remaining contractual maturities

	Carrying amount \$'000	Contractual cashflows \$'000	6 months or less \$'000	6 to 12 months \$'000	1 to 2 years \$'000	2 to 5 years \$'000
Consolidated 2010 year						
Trade and other payables	14,715	14,715	14,715	-	-	-
Loans and borrowings	127,207	135,603	50,856	3,198	33,046	48,503
	141,922	150,318	65,571	3,198	33,046	48,503
2009 year						
Trade and other payables	18,224	18,224	18,224	-	-	-
Loans and borrowings	107,285	114,366	26,421	18,655	23,186	46,104
	125,509	132,590	44,645	18,655	23,186	46,104

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 8 weeks, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Group maintains lines of credit as detailed in note 34b.

(e) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Currency risk

The Group has no significant exposure to foreign exchange risk in respect of the Company and the entities it controls. The Group does have an available-for-sale investment denominated in Singapore Dollars (SGD) to which a currency risk applies. The Company's associate, CityFleet (UK) Pte Ltd, conducts its operations in the United Kingdom and its transactions are denominated in Great British Pounds (GBP). These transactions are presented in the associate's financial statements in SGD. For equity accounting purposes the Group translates its share of profits into Australian Dollars (AUD) based on average monthly exchange rates.

Sensitivity analysis

In relation to the available-for-sale investment denominated in SGD, a 10 percent strengthening of the AUD against the SGD would have decreased equity by \$171,000 net of tax (2009: \$154,000 net of tax) for the Group. A 10 percent weakening of the AUD against the SGD would have had an equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

A 10 percent strengthening of the AUD against the GBP across the reporting periods would have increased (decreased) equity and profit by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2009.

	2010 \$'000	2009 \$'000
Profit	(184)	(333)
Equity	(184)	(333)

A 10 percent weakening of the AUD against the GBP would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

Notes to the Consolidated Financial Statements cont.

for the year ended 30 June 2010

35. Financial instruments and financial risk management cont.

ii) Interest rate risk

The principal risk to which financial assets and financial liabilities are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. The Group adopts a policy of maintaining a mix of fixed and floating interest rates ranging from three months to three years, to protect part of the loans from exposure to increasing interest rates.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	CARRYING AMOUNT	
	2010 \$'000	2009 \$'000
Fixed rate instruments		
Financial assets	24,922	22,096
Financial liabilities	(56,250)	(71,000)
	(31,328)	(48,904)
Variable rate instruments		
Financial assets	30,939	28,645
Financial liabilities	(70,957)	(36,285)
	(40,018)	(7,640)

Sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2009.

	PROFIT OR LOSS		EQUITY	
	100 bp increase \$'000	100 bp decrease \$'000	100 bp increase \$'000	100 bp decrease \$'000
2010	(661)	661	(661)	661
2009	(334)	334	(334)	334

iii) Other market price risk

Equity price risk arises from available-for-sale equity securities. Management of the Group monitors equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Risk Oversight & Management Committee.

Details of the sensitivity to market price risk for the Group's listed equity instruments are provided in note 13.

(f) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group's target is to achieve a return exceeding its cost of capital; during the year ended 30 June 2010 the return was 41.6% (2009: 44.4%). In comparison, the weighted average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 5.6% (2009: 6.1%).

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

(g) Fair values

The fair values and carrying amounts of financial assets and financial liabilities at balance date are as follows:

	2010 YEAR		2009 YEAR	
	\$'000	\$'000	\$'000	\$'000
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash on hand and at bank	8,815	8,815	13,521	13,521
Money market deposits	22,124	22,124	15,124	15,124
Receivables	98,887	98,439	80,078	79,520
Investments in associates	197,516	197,516	186,421	186,421
Other investments	4,979	4,979	4,551	4,551
	332,321	331,873	299,695	299,137
Financial liabilities				
Trade and other payables	14,715	14,715	18,224	18,224
Loans and borrowings	127,207	124,873	107,285	105,558
	141,922	139,588	125,509	123,782

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, where applicable, are based on the government yield curve at the reporting date plus an adequate credit spread, and were as follows:

	2010	2009
Loans and borrowings	4.5% to 7.7%	4.5% to 8.7%
Finance lease receivables	8.5% to 11.5%	8.5% to 11.5%

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
30 June 2010				
Listed investments	3,295	-	-	3,295
Unlisted investments	-	-	1,684	1,684
	3,295	-	1,684	4,979
30 June 2009				
Listed investments	2,867	-	-	2,867
Unlisted investments	-	-	1,684	1,684
	2,867	-	1,684	4,551

There have been no transfers between levels for the year ended 30 June 2010. Further detailed disclosure of level 3 is not considered necessary as there is no movement in this level.

Notes to the Consolidated Financial Statements cont.

for the year ended 30 June 2010

36. Operating segment

The Group operates predominantly in one business and geographic segment being the provision of taxi related services in Australia. However, an associate company which is equity accounted by Cabcharge operates in a different business segment - being the provision of bus and coach services to customers in Australia.

	Taxi related services		Bus & coach services		Consolidated	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Revenue						
External revenue	174,456	173,595	-	-	174,456	173,595
Result						
Reported result	68,329	75,277	-	-	68,329	75,277
Share of net profit of associates	1,843	3,327	10,934	7,843	12,777	11,170
Segment result	70,172	78,604	10,934	7,843	81,106	86,447
Net finance costs					(5,681)	(5,023)
Income tax expense					(17,821)	(20,042)
Profit for the period					57,604	61,382
Other disclosures						
Segment assets	251,350	232,484	-	-	251,350	232,484
Segment liabilities	92,810	72,051	61,151	67,151	153,961	139,202
Other-investments accounted for using the equity method	68,539	68,641	128,977	117,780	197,516	186,421
Depreciation and amortisation	10,539	8,340	-	-	10,539	8,340

37. Subsequent event

There have been no events subsequent to the reporting date that would have a material impact on the Group's consolidated financial statements as at 30 June 2010.

38. Contingent liability

Financial Guarantee

The Company's 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 \$ 163 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 financial guarantee contract is estimated to be zero based on the Directors' assessment of the probability of a default event.

39. ACCC Proceedings

The ACCC commenced proceedings in June 2009 against Cabcharge for alleged breaches of ss 45 & 46 of the Trade Practices Act 1974. We are hopeful of a reasonable outcome for the Company. At this time, no provision has been made in the accounts in respect of this matter. The information required by AASB 137 Provisions, Contingent Liabilities and Contingent Assets, is not disclosed on the grounds that it may prejudice the outcome of the matter.

Directors' Declaration

1. In the opinion of the directors of Cabcharge Australia Limited
 - (a) the financial statements and notes set out on pages 28 to 58, and the Remuneration report in the Directors' report, set out on pages 20 to 21, 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 June 2010 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*;
 - (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a);
 - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. 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 June 2010.

Signed in accordance with a resolution of the directors:



Neville Wran
Director



Peter Hyer
Director

Dated at Sydney
23 September 2010

Independent Auditor's Report

to the members of Cabcharge Australia Limited



Report on the financial report

We have audited the accompanying financial report of the Group comprising Cabcharge Australia Limited (the Company) and the entities it controlled at the year's end or from time to time during the financial year, which comprises the consolidated statement of financial position as at 30 June 2010, and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, significant accounting policies and other explanatory notes 1 to 39 and the directors' declaration.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report, comprising the financial statements and notes, complies 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 and fair presentation of the financial report 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 (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Auditor's opinion

In our opinion:

- (a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2.

Inherent Uncertainty Regarding Litigation

Without qualification to the opinion expressed above, attention is drawn to the following matter. As indicated in note 39 to the consolidated financial statements, Cabcharge Australia Limited is the defendant against proceedings initiated by the Australian Competition and Consumer Commission for alleged breaches of sections 45 and 46 of the Trade Practices Act 1974. The directors have determined that the circumstances of the case are such that the ultimate outcome of the litigation cannot presently be determined with an acceptable degree of reliability, and accordingly no provision for any liability that may result has been made in the consolidated financial statements.

Independent Auditor's Report cont.

to the members of Cabcharge Australia Limited



Report on the remuneration report

We have audited the remuneration report included in sections (a) to (c) within the directors' report for the year ended 30 June 2010. 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 Cabcharge Australia Limited for the year ended 30 June 2010, complies with Section 300A of the *Corporations Act 2001*.

A stylized signature of the KPMG firm, written in black ink.
KPMGA handwritten signature of Peter Russell, written in black ink.
Peter Russell
Partner

Sydney

23 September 2010

Australian Securities Exchange Information

as at 10 September 2010

(a) Distribution of Shareholders numbers

Range of shareholdings	No of Shareholdings	Shares	% of total
1 - 1000	3,855	2,265,841	1.88
1001 - 5000	3,925	9,781,270	8.12
5001 - 10000	862	5,828,308	4.84
10001 - 100000	711	18,906,668	15.70
100001 and over	65	83,648,596	69.46
Total	9,418	120,430,683	100

(b) The number of Shareholdings held in less than marketable parcels is 218

(c) The names of the substantial shareholders listed in the Company's register

Name	Number of FPO shares held
RBC Dexia Investor Services Australia Nominees Pty Limited	12,320,128
J P MORGAN Nominees Australia Limited	10,523,432
National Nominees Limited	10,412,124
HSBC Custody Nominees (Australia) Limited	9,047,258
Nefco Nominees Pty Ltd	8,985,373
CITICORP Nominees Pty Limited	6,700,457
UBS Nominees PTY LTD	6,688,278

(d) Voting rights - all shares hold the same voting rights

(e) 20 Largest Shareholders - Ordinary Shares

Rank	Name	Number of FPO shares held	% held
1	RBC Dexia Investor Services Australia Nominees Pty Limited	12,320,128	10.23
2	J P MORGAN Nominees Australia Limited	10,523,432	8.74
3	National Nominees Limited	10,412,124	8.65
4	HSBC Custody Nominees (Australia) Limited	9,047,258	7.51
5	Nefco Nominees Pty Ltd	8,985,373	7.46
6	CITICORP Nominees Pty Limited	6,700,457	5.56
7	UBS Nominees PTY LTD	6,688,278	5.55
8	Legion Cabs (Trading) Co-Operative Society Limited	2,750,000	2.28
9	Swan Taxis Co-Operative Ltd	2,631,004	2.18
10	Cogent Nominees Pty Limited	1,747,613	1.45
11	Cumberland Cabs Company Pty Ltd	1,004,593	0.83
12	Reginald Lionel Kermode	900,000	0.75
13	Granger Transport Pty Ltd	541,505	0.45
14	Queensland Investment Corporation	538,952	0.45
15	Invia Custodian Pty Limited	538,440	0.45
16	Ms Faby Fielan Chong	525,487	0.44
17	Bond Street Custodian Limited	467,987	0.39
18	Sandhurst Trustees Limited	400,000	0.33
19	UBS Wealth Management Australia Nominees Pty Limited	393,086	0.33
20	ANZ Nominees Limited	380,712	0.32
		77,496,429	64.35

Final Dividends

Record date is 30 September 2010

Dividend payment date is 29 October 2010

Voting Rights

Subject to Cabcharge's constitution —

- (a) at a general meeting —
 - (i) on a show of hands, every member present has one vote; and
 - (ii) on a poll, every member present has one vote for each fully paid share held by the member and in respect of which the member is entitled to vote.
- (b) at a general meeting each member entitled to vote at a meeting of members may vote —
 - (i) in person or, where a member is a body corporate, by its representative;
 - (ii) by not more than two proxies; or
 - (iii) by not more than two attorneys.

Australian Securities Exchange Listing

Cabcharge's Ordinary shares are quoted on the Australian Securities Exchange ("ASX") with Sydney being Cabcharge's home exchange. The stock code under which the shares trade is CAB. Trading results are published in most large Australian daily newspapers.

Internet

Interim and final results are available on Cabcharge's Internet home page (www.cabcharge.com.au).

Annual Report Not Required

Shareholders not wishing to receive the Annual Report, or who are receiving more than one copy, should advise the share registry in writing, quoting their Shareholder Reference Number. Shareholders will still receive all other mailings. An "Annual Report Not Required" notice can be obtained from the share registry.

Tax File Numbers

The share registry is obliged to record Tax File Numbers ("TFN") or exemption details provided by Australian resident shareholders. While it is not compulsory to provide TFN's or exemption details, Cabcharge will be obliged to deduct withholding tax at the highest marginal rate, plus Medicare levy, for any unfranked or partially franked dividends, paid to shareholders resident in Australia who have not supplied TFN'S. Further information can be obtained from the share registry.

Annual General Meeting

The 2010 Annual General Meeting of shareholders of Cabcharge Australia Limited will be held at the -
Swissôtel Sydney
68 Market Street Sydney NSW 2000
on Wednesday 17 November 2010 at 11am (Sydney time)

Corporate Directory

ABN 99 001 958 390

Company Secretaries

Ms Sharon Doyle
Mr Chip Beng Yeoh

Registered Office

152-162 Riley Street
East Sydney NSW 2010

Tel: + 61 2 9332 9222
Fax: + 61 2 9361 4248

Internet Address

www.cabcharge.com.au

Auditor

KPMG
10 Shelley Street
Sydney NSW 2000

Share Registry

Postal Address

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Delivery Address

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000





Cabcharge