

Tax Transparency Statement

As an Australian business, Cabcharge recognises the importance of paying its fair share of tax to support economic growth and to look after the welfare of the people of Australia.

Committed to complying with all tax laws and regulations, Cabcharge maintains transparent disclosure of tax paid.

Cabcharge is a proudly owned Australian company with a diversified portfolio of payment technology, financial services and taxi payments. Since its establishment in 1976, Cabcharge has grown and now owns the largest taxi company in Australia with brands including 13CABS and Silver Service.

Cabcharge contributes to Australia's economy by providing safe and convenient taxi services in Australia, supporting taxi networks and drivers, and pioneering technological developments.

The company acknowledges and supports the Board of Taxation's proposed voluntary tax transparency code, which is aimed at providing greater public disclosure of tax information by businesses operating in Australia.

Being in a regulated industry, Cabcharge complies with the laws and regulation of federal, state and territory governments, and conducts its business with the highest levels of ethics, transparency and integrity.

Cabcharge's operating model

Cabcharge is an Australian business with 100% of the revenue reported in the June 2015 Annual Report generated in Australia. More than 7,000 taxis operate in Cabcharge's networks. For all fares processed through Cabcharge, the full regulated taxi fare is delivered to the service providers, with Cabcharge retaining a service fee for providing the payment system and the credit facility for Cabcharge account holders. Cabcharge also facilitates the operation of transport subsidies as part of the Taxi Transport Subsidy Scheme in five states and territories.

Australian Tax Office ("ATO") disclosures

As part of the ATO's transparency measures, the Commissioner has publicly disclosed the following details in December 2016 in respect to Cabcharge. This information is based on the income tax returns for the financial year ending June 2015.

Name	Cabcharge Australia limited
ABN:	99001958390
Total income	\$206,162,998
Taxable/net income or loss	\$59,077,272
Tax payable	\$16,677,519

Total income represents assessable income before any expenses are taken into account. Taxable income is the assessable income for tax, minus allowable deductions incurred in deriving the income.

Total Income and Taxable Income

The revenue per the Annual Report for the year ended 30 June 2015 is \$188 million, derived mainly from taxi service fee income and members taxi related services. The table outlines the composition of total income (compared to total revenue):

Total revenue (Per the June 2015 Annual Report)	\$187,963,949
Other income	\$53,761
Finance income	\$1,482,872
Share of profits of equity accounted investees (net of income tax)	\$16,662,415
Total income (Per the income tax return)	\$206,162,998

The table below outlines the breakdown of taxable income to profit before tax:

Profit before income tax (Per the June 2015 Annual Report)	\$63,263,848
<i>Add:</i>	
Impairment charge on investment in associate	\$10,271,000
Research and development tax incentive	\$2,585,855
Other non-deductible expenses	\$18,858,203
Sub-Total	\$31,715,058
<i>Less:</i>	
Exempt income	(\$140,905)
Share of profits of equity accounted investees (net of income tax) ¹¹¹	(\$16,662,415)
Other deductible expenses	(\$19,098,314)

Sub-Total	(\$35,901,634)
Total taxable income (Per the income tax return)	\$59,077,272

⁽¹⁾ The share of profits in equity accounted investees is excluded from the tax calculation as these associates have paid their taxes in compliance with their relevant jurisdiction's tax laws and regulations – refer to information on associates below.

Taxable income is derived by deducting expenses to operate the business. Cabcharge's main operating costs include:

Employment benefit expenses

Cabcharge employs over 600 people, all located within Australia which support provision of all its services, including the call centre. The call centre's efforts are fully devoted to provide services to Cabcharge's customers and passengers. Employee benefit expenses for the year ended June 2015 totalled \$38,224,000.

Processing fee to taxi networks

Cabcharge contributes to the efficient facilitation of payments across the taxi industry by paying a processing fee to its partner taxi networks. Processing fees paid to taxi networks for the year ended June 2015 totalled \$14,486,000

Banking fees and finance costs

Cabcharge's financing and payment arrangements are all with established Australian banks. Finance costs paid for the year ended June 2015 totalled \$7,050,000.

Research and development tax incentive eligible amount

Cabcharge is an innovative company with a strong technology agenda. All the research and development occurs in Australia and the intellectual property is retained in Australia. The company has been a longstanding innovator in the Australian economy. In 2009, it was the first company to introduce a smartphone taxi booking app in Australia. In 1996 Cabcharge introduced a world-leading electronic payment network in taxis.

Cabcharge's Associates

CA† 30 June 2015 Cabcharge held a 49% investment in ComfortDelGro Cabcharge Pty Ltd (CDC), Australia's largest private bus operator. Cabcharge also holds a 49% investment in CityFleet Networks Ltd (CityFleet) in the UK which provides account, booking and dispatch services for taxis, private hire vehicles and coach services.

The investments Cabcharge holds and the impacts for tax are detailed below (as per Note 11b in the June 2015 Annual Report):

	\$'000
<i>Share of associates' profit before income tax expense</i>	
ComfortDelGro Cabcharge Pty Ltd	21,319
CityFleet Networks Ltd	1,844

<i>Share of associates' income tax expense</i>	
ComfortDelGro Cabcharge Pty Ltd	(6,106)
CityFleet Networks Ltd	(395)
Share of associates' profit after tax	16,662