

ANNUAL REPORT
2002

Cabcharge

INTERNATIONAL CHARGE CARD FOR CABS

Cabcharge Australia Limited

ABN 99 001 958 390



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Annual General Meeting

The 2002 Annual General Meeting of Shareholders of Cabcharge Australia Limited will be held at The Westin Sydney, Heritage Ballroom, No.1 Martin Place, Sydney NSW 2000 on Tuesday, 12 November 2002 at 11am.

*Cabcharge's merger with Combined Communications Network (CCN) in January 2002 is already proving a success. CCN was the largest single contributor to the **substantial increase in both revenue and profits** during this turbulent year for businesses.*

*Cabcharge now has an integrated array of state-of-the-art services for the Taxi Industry. Cabcharge remains committed to be the Australian leader in developing and applying new ideas and improved technology for even **better efficiencies and service to customers**.*



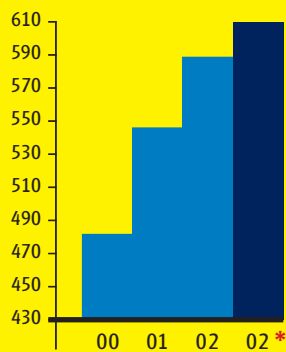
*With increasing population and affluence likely to have a positive impact on the demand for taxis, Cabcharge is **ideally placed to apply its expertise into new and exciting areas in the future**.*

RESULTS IN BRIEF

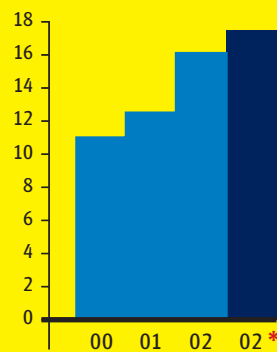
	* Pro-forma 2002	Actuals 2002	2001	2000
Total revenue (\$m)	609.5	588.1	545.4	481.1
Cabcharge operations	572.0	572.0	545.4	481.1
Communications (CCN)	37.5	16.1	-	-
Profit after tax (\$m)	17.5	16.1	12.5	11.0
Cabcharge operations	14.0	14.0	12.5	11.0
Communications (CCN)	3.5	2.1	-	-
Earnings before interest, tax, depreciation and amortisation (EBITDA - \$m)	29.3	25.7	20.2	16.9
Cabcharge operations	22.5	22.5	20.2	16.9
Communications (CCN)	6.8	3.2	-	-
Earnings per share (cents)		14.7	11.5	12.1
Dividend per share (cents)		10.0	8.0	7.5
Net tangible assets per share (cents)		90.4	85.8	80.4

* Pro-forma 2002 numbers are prepared on the hypothetical basis that CCN became a subsidiary of Cabcharge on 1 July 2001. The purpose of this disclosure is to provide a benchmark annualised set of numbers for the Cabcharge Group. The actual 2002 numbers show the results of CCN for 5 months, being for the actual period of control by Cabcharge.

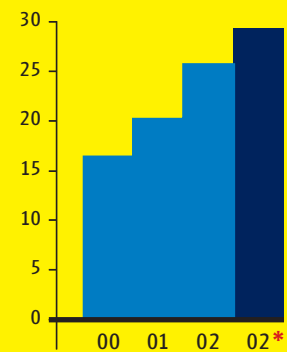
Total revenue (\$m)



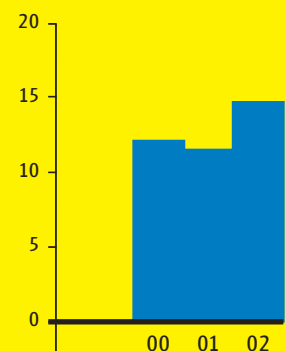
Profit after tax (\$m)



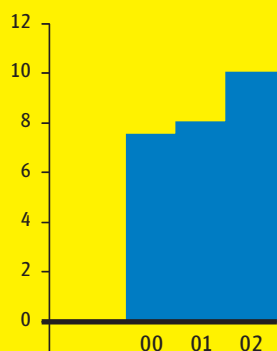
EBITDA (\$m)



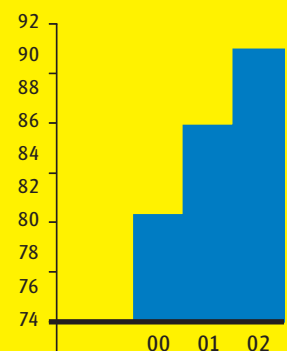
Earnings per share (cents)



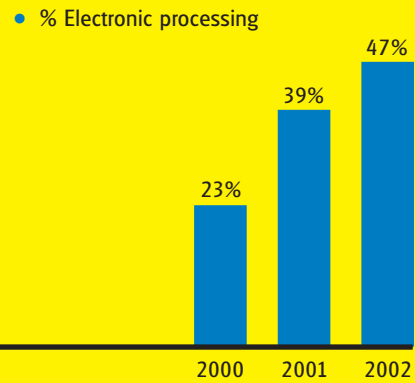
Dividend per share (cents)



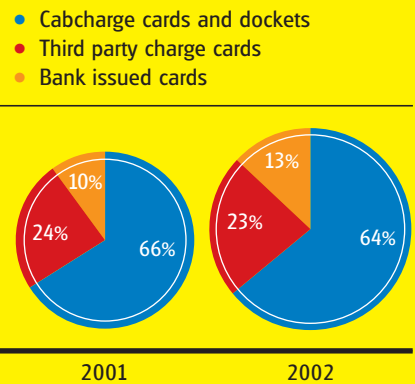
Net tangible assets per share (cents)



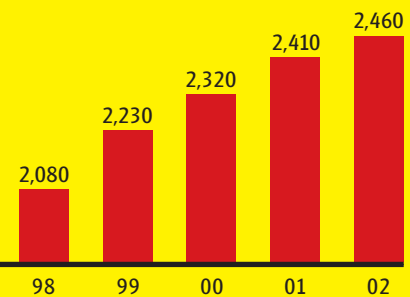
Electronic processing approaches half of total turnover - Mobile EFTPOS machines are installed in most taxis throughout Australia. Growth in electronic processing means less paperwork and a more efficient operation. Expect further growth here as Cabcharge pursues an electronic alternative for the "blue docket" - the Cabcharge docket book.



Cabcharge accepts all major credit and debit cards - Third-party charge cards are mainly American Express and Diners Club. Bank issued cards include Mastercard, VISA, Bankcard as well as EFTPOS. How do the revenues from each source compare?



TCS fleet 5 year compound growth rate of 4.3% - TCS fleet includes the brands Taxis Combined Services, Yellow Cabs, Silver Service, Computer Cab, Maxi Taxi.



Silver Service concept takes off - Silver Service is a national concept offering a premium service to the consumer with a luxury vehicle and a specially accredited driver - in other states at slightly higher cost. This is a popular service with customers, taxi drivers and operators.



CHAIRMAN'S REPORT



I am pleased to present this Report, as it has been yet another record for Cabcharge despite all the serious events of the past year.

All of us in Australia, as elsewhere in the world, are still coming to terms with the effects of the attacks on America last year. At the same time, on a more local level, we have had to cope at Cabcharge with more immediate concerns. For example, the collapse of Ansett had a direct effect on our earnings, as airline people are huge users of taxis. And Australian companies have not been protected from the international fallout of failures such as Enron.

Therefore, this Annual Report reflects a year of positive results against a backdrop of negative events, as well as a hopeful and positive look at the future of your company.

FINANCIAL PERFORMANCE FOR 2002

Since Cabcharge's listing on the Australian Stock Exchange in December 1999, this 2002 year has been the best year for the company. Although we have shown a positive growth every year since Cabcharge was formed in 1976, this year's

revenue was a record at \$588m. And the 8% increase in this figure only includes five months of the business of Combined Communications Network Limited (CCN), which we acquired during the year.

For now, we believe this year's result to be a very creditable achievement. In particular, I am pleased to report that Profit before tax was \$23m, and Profit after tax was \$16.1m – an increase of 29% on last year.

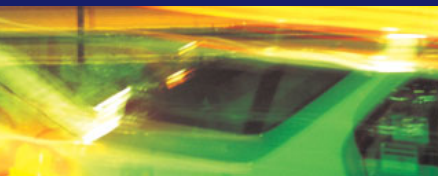
Earnings Per Share for this year also increased – from 11.5 cents to 14.7 cents per share – an increase of 28%. As a result, we have been able to increase the final dividend from 8 cents per share to 10 cents per share – an increase of 25%. At the same time, I am happy to report that the Net Tangible Asset backing per share has increased by 5% to 90.4 cents.

I believe it can be said that these are remarkable results for our business under the circumstances of the past year – and we have yet to gain a full year's benefit from our 100% ownership of CCN. We look forward to significant positive effects on our bottom line as synergies from this merger begin to come into effect over the years.

HIGHLIGHTS

- A *record net profit after tax* of **\$16.1m** - an *increase* of **29%** on the previous year - which only includes five months of contributions from the newly acquired Combined Communications Network (CCN).

- *Total Revenue increased* from \$545m to **\$588.1m** (8%).



- Earnings before Interest and Tax (EBIT) was \$21.2m, up from \$17.1m - an *increase* of 24%.

- *Earnings per share* was **14.7 cents**, up from 11.5 cents - an *increase* of **28%**.



- Earnings before interest, tax depreciation and amortisation (EBITDA) of \$25.7m an *increase* of **27%**.

- A final dividend of 6 cents per share (year total 10 cents per share) is *up* from 8 cents *per share* - an *increase* of **25%**.

BUSINESS OPERATIONS:

Cabcharge now has two distinct but integrated lines of business, which position us well for the future.

Following the merger with CCN, the traditional Cabcharge business of payment processing has been augmented by the communications business of managing the customer/taxi connection.

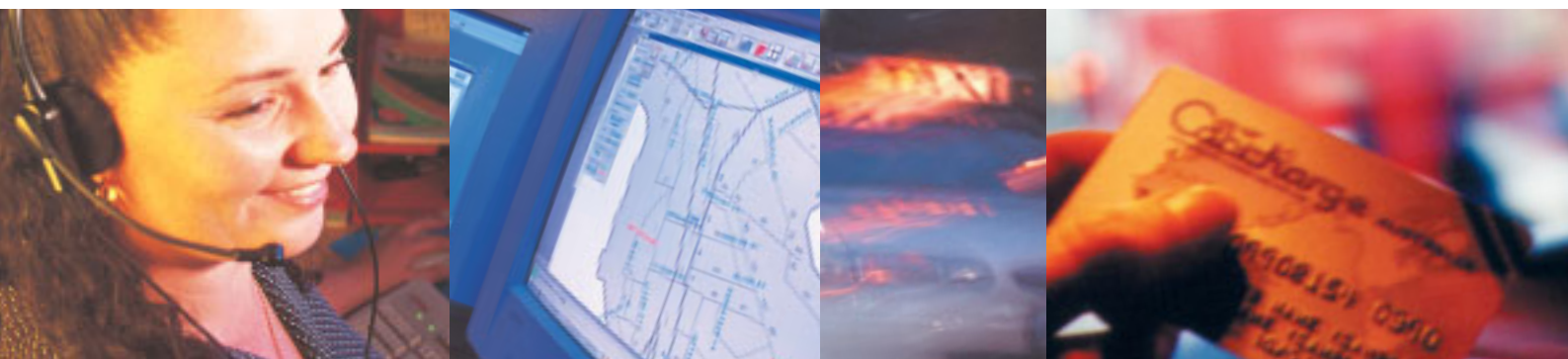
This means Cabcharge now has a hands-on role in the whole transaction from initial telephone booking request to fare payment. This will give us opportunities for improved service and greater efficiencies in the future.

Cabcharge:

The revenue from our traditional Cabcharge business (excluding interest revenue) increased 5% to \$570m, from \$543m, while Profit after tax rose 11.5% to \$14.0m.

Despite these pleasing results, Cabcharge's growth was lower than we expected. This was due to a number of unprecedented factors in the past year, such as:

- The downturn in travel following the events of September 11.
- Major corporate collapses within Australia, such as Ansett and HIH - we estimate the demise of these companies alone had an annualised impact on our revenues of \$10m.



*The Communication centre's record taxi dispatches is over 3,200 in a single hour.
The call centre averages over 25,000 calls per day.*

*On average, a CCN dispatched taxi arrives at our customer's location just
under 6 minutes from time of telephone call.*

*State-of-the-art taxi tracking system pin points location of a vehicle to within
10 metres, providing security to drivers.*

Communications (CCN):

As I mentioned, these accounts only include 5 months of CCN's results on consolidation. This added to the Cabcharge results:

- \$16.1m to Total Revenue
- \$2.1m to Profit after tax
- \$3.2m to EBITDA.

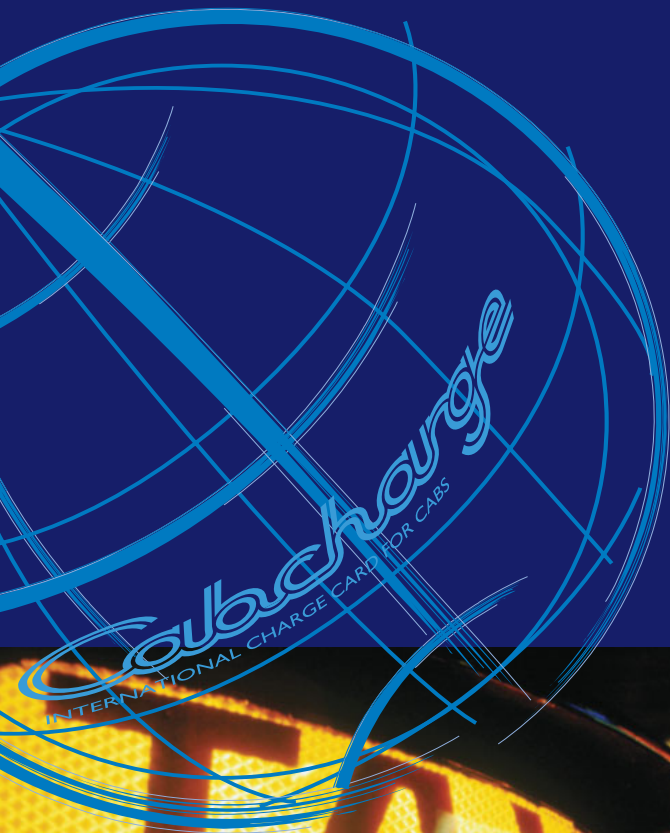
The Cabcharge accounts for 2003 year will reflect a full year of CCN's involvement, and will show the benefits of rationalisation anticipated by the merger of the two groups.

We have already started to restructure CCN to make it a leaner and more efficient operation. This is part of our overall strategy to cut back to core business in all areas before we move on to other challenges, both here and overseas.

Dividend:

The Board has recommended payment of a fully franked final dividend of 6 cents, bringing to 10 cents the payment for the 2002 year. This is an increase of 25%, and is in line with our policy to have a dividend pay out ratio of around 70%.





CHAIRMAN'S REPORT
CONTINUED

THE FUTURE:

Cabcharge has been for some years the leading financial service provider to the Taxi Industry. It is now also the operator of one of the largest communications networks in Australia. As a result, Cabcharge is a completely integrated operation offering the Taxi Industry the most up to date and efficient system for all their operational needs.

This new strength and breadth of service will allow us to move into other markets both nationally and internationally. In particular, the international scene is enormous - although it has risks and at the moment is slow to recover momentum. Meanwhile we are moving to invest carefully and watch for opportunities as they arise - as they surely will.

Our relationship with joint venture partners such as Delgro in Singapore continues to strengthen. With them, Cabcharge is continuing its plans to develop overseas markets, especially in the UK where we already have substantial interests and where we see significant potential.

For example, although our interest in Scotland is small at present, we believe it can only grow. Exciting prospects could become a reality if the Cabcharge model of electronic payment system in Australian taxis were to become an accepted fact of life in the UK.



CHAIRMAN'S REPORT
CONTINUED

APPRECIATION:

Our successes in this difficult year would not have been possible without the strong support of our hardworking and dedicated staff. The teams at Cabcharge and CCN have worked extremely hard to deliver a good product to our operators and drivers across Australia, which in turn ensures a secure benefit to shareholders.

On behalf of the Board, I wish to express my deepest appreciation to them all – thank you for a job well done.

Finally, I wish to thank my fellow Directors for their guidance and counsel. It has been a pleasure working with a very independently minded Board made up of people fluent and well versed in business, finance, management and the grass roots of life.

RL Kermode
Executive Chairman

Sydney 17 September 2002.

BOARD OF DIRECTORS



Top from left to right

Reg Kermode AM MBE (75) *Executive Chairman and CEO*

Ewaz Barukh (54) *Executive CFO*

Ian Armstrong (60) *Non Executive Director*

Middle from left to right

Garry Bradd (56) *Non Executive Director*

Neill Ford (52) *Non Executive Director*

Phil Franet (57) *Non Executive Director*

Bottom from left to right

Peter Hyer (66) *Non Executive Director*

Donn McMichael (50) *Non Executive Director*

Neville Wran AC QC (76) *Non Executive Director*



Cabcharge Australia Limited ABN 99 001 958 390

Annual Financial Report

for the year ended 30 June 2002

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D I R E C T O R S ' R E P O R T

The Directors of Cabcharge Australia Limited present their Annual Report on the Company and its controlled entities for the year ended 30 June 2002.

Directors

The Directors of Cabcharge Australia Limited in office at the date of this report are as follows:

Mr RL Kermode (<i>Executive Chairman and CEO</i>)	Mr GF Bradd	Mr PJ Hyer
Mr E Barukh (<i>Executive CFO</i>)	Mr ND Ford	Mr DS McMichael
Mr IA Armstrong	Mr PJ Franet	The Hon NK Wran AC QC

All Directors have held office for the full year.

Principal Activities

The economic entity's principal activity is the provision of a taxi charge account service business. During the year, following acquisition of Combined Communications Network Limited (CCN), activities expanded to include provision of communications network facilities to the Taxi Industry.

Operating Results

The economic entity's net profit after income tax attributable to members of Cabcharge Australia Limited amounted to \$16,132,297.

Dividends Paid and Recommended

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
As recommended and provided for in last year's report			
26 October 2001	Final	4.0	4,336
In respect of the current year			
28 March 2002	Interim	4.0	4,444
14 October 2002	Final	6.0	6,666

All dividends paid or declared by the Company were fully franked at a tax rate of 30%.

Review of Operations

A summary of key financial indicators is set out in the table below. By every measure, the performance for the financial year has exceeded expectations. The successful acquisition of CCN in January 2002 has resulted in \$2.1 million contribution to the Profit after tax of the group.

The results are particularly pleasing when placed in the context of the impact of September 11 on tourism, the collapse of Ansett and HIH Insurance, and continuing GST compliance costs.

	2002	2001	Growth %
Total revenue (\$m)	588.1	545.4	8%
Profit after tax (\$m)	16.1	12.5	29%
Earnings before interest and tax (EBIT - \$m)	21.2	17.1	24%
Earnings before interest, tax, depreciation and amortisation (EBITDA - \$m)	25.7	20.2	27%
Earnings per share - basic (cents)	14.7	11.5	28%
Contributed equity (\$m)	71.6	68.2	5%
Capital and reserves (\$m)	103.3	96.0	8%
Total assets employed (\$m)	137.8	110.4	25%
Net tangible asset per share (cents)	90.4	85.8	5%
Return on contributed equity (%)	22.5	18.4	22%
Dividend per share (cents)	10.0	8.0	25%
Dividends paid (\$m)	11.1	8.8	26%
Dividend payout ratio (%)	68.9	70.2	
Franking account balance at 30% tax (\$m)	51.8	42.4	

Significant Changes in the State of Affairs

Other than those matters noted under the headings "Principal Activities" and "Review of Operations" there were no significant changes in the state of affairs of the economic entity during the year under review.

Post Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity 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 financial statements, further information as to the likely developments in the operations of the economic entity 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 economic entity.

Environmental Issues

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

Information on Directors

Mr Reginald Lionel Kermode AM MBE (75 years) Executive Chairman and CEO

Founder of Cabcharge in 1976, Chairman, Managing Director and Chief Executive Officer since 27 July 1980 and member of the Investment Committee. Mr Kermode is a Director of Cabcharge Asia Pte Limited, Executive Chairman of Combined Communications Network Limited, Director of Computer Cab plc, London and Director of CityFleet (UK) Pte Ltd. Mr Kermode is the immediate 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.

Mr Ewaz Barukh (54 years) Executive CFO

Director since 19 November 1998 and member of the Investment Committee. Mr Barukh is a Director of other Cabcharge Group entities. He has been Chief Financial Officer of the Company since 1985, and has significant experience in the fields of funds management, technology and the Australian taxi industry. Mr Barukh is a Bachelor of Economics and is an Associate of the Australian Institute of Company Directors.

Mr Ian Alexander Armstrong (60 years) Non Executive Director

Director since 17 July 2000 and Chairman of the Audit 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.

Mr Garry Frederick Bradd (56 years) Non Executive Director

Director since 15 December 1989 and member of the Audit Committee. Mr Bradd is Executive Chairman and CEO of Black Cabs Combined Limited. He is a member of the Victorian Taxi Industry Association and Fellow of the Australian Institute of Company Directors.

Mr Neill Douglas Ford (52 years) Non Executive Director

Director since 21 March 1996 and member of the Remuneration, Investment and Marketing Committees. Mr Ford is Managing Director of Yellow Cabs (Qld) Pty Limited and Chairman of Taxis Australia Pty Limited. He has in excess of 23 years experience of taxi company management. Mr Ford is a Fellow of the Australian Institute of Company Directors and Fellow of the Australian Institute of Management.

Mr Phillip James Franet (57 years) Non Executive Director

Director since 28 June 1985. Mr Franet is Managing Director of Silver Top Taxi Service Ltd and President of Victorian Taxi Association (inc). Mr Franet has over 30 years experience in the taxi industry and has consulted to the Emirate of Dubai on the establishment of a large taxi operation including the establishment of charge account services in Dubai.

DIRECTORS' REPORT

Mr Peter John Hyer (66 years) *Non Executive Director*

Director since 25 June 1996 and member of the Remuneration and Audit Committees. Mr Hyer is 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 (NSW) Pty Limited, and Director of Northern Districts Taxis (Sydney) Pty Limited. Mr Hyer is the President of the NSW Taxi Council, Vice President of NSW Taxi Industry Association and Fellow of the Australian Institute of Company Directors.

Mr Donald Stuart McMichael (50 years) *Non Executive Director*

Director since 25 June 1996 and member of the Marketing Committee. Mr McMichael is a member of Australian Institute of Management and Australian Society of Association Executives. He is a Director of Yellow Cabs (Canberra) Pty Ltd, Taxis Australia and Taxi Proprietors Association (ACT). He is a Member of the Transport Reform Advisory Group (ACT), ACT Tourism Strategic Review Committee and an Associate of the Australian Institute of Company Directors. He was formerly a Director of Aerial Taxi Co-Op Society Limited.

The Hon Neville Wran AC QC (Hon) LLD FRSA (76 years) *Non Executive Director*

Director since 28 November 2000 and member of the Audit Committee. Mr Wran is Executive Chairman of Wran Partners Pty Ltd. Mr Wran is also a Director of a number of other companies including New Skies Networks Pty Ltd. He was Premier of New South Wales from 1976 to 1986 and National President of the Australian Labor Party from 1980 to 1986. Mr Wran was Chairman of CSIRO from 1986–1991. He is a Fellow of the Powerhouse Museum, a Life Governor of the Art Gallery of New South Wales and Chairman of the Victor Chang Cardiac Research Institute.

Relevant Interests

	Direct Interest Shares	Options	Indirect Interest Shares	Note
Executive Directors				
RL Kermode (CEO)	1,400,000	666,668	–	
E Barukh (CFO)	696,630	–	24,477	1
Non-Executive Directors				
IA Armstrong	166,666	83,334	–	
GF Bradd	–	–	4,213,277	2
ND Ford	284,313	–	1,793,423	3
PJ Franet	255,330	–	8,065,253	4
PJ Hyer	–	–	1,721,260	5
DS McMichael	1,496	83,334	–	
NK Wran	250,000	–	11,765	6

- 1 24,477 Fully Paid Ordinary Shares held jointly by Mr Ewaz Barukh and Mrs Katherine Barukh.
- 2 180,000 Fully Paid Ordinary Shares held by Bradd Superannuation Fund; 196,000 Fully Paid Ordinary Shares held by Eastmoor Investments Pty Limited as trustee for Eastmoor Investments Unit Trust – 50% of units held by Bradd Nominees. Mr Bradd is Director of Eastmoor Investments Pty Limited and Director and Shareholder of Bradd Nominees Pty Ltd.; 7,059 Fully Paid Ordinary Shares held by Bradd Nominees Pty Ltd in which Mr Bradd is Director and Shareholder; 3,830,218 Fully Paid Ordinary Shares held by Black Cabs Combined Limited in which Mr Bradd is Executive Chairman, CEO and Shareholder.
- 3 1,560,288 Fully Paid Ordinary Shares held by Queensland Taxi Investments Pty Limited in which Mr Ford is a Director and Shareholder; 233,135 Fully Paid Ordinary Shares held by NL Ford Nominees Pty Ltd Super Fund.
- 4 7,107 Fully Paid Ordinary Shares held by Faraday Investments Pty Ltd in which Mr Franet is Shareholder; 8,058,146 Fully Paid Ordinary Shares held by Silver Top Taxi Service Ltd in which Mr Franet is Managing Director and Shareholder.
- 5 216,667 fully paid Ordinary Shares held by Windcode Pty Ltd; 1,504,593 shares held by Adelhill Limited in which Mr Hyer is Chairman, Managing Director and Shareholder.
- 6 11,765 fully paid Ordinary Shares held by Vakivi Pty Ltd in which Mr Wran holds a material interest.

Share Options

Fully Paid Ordinary shares issued by virtue of the exercise of options during the year and to the date of this report are as set out in the following table.

The terms and conditions of share options issued by the Company to Directors and Officers are disclosed in note 19 (d) to the accounts.

DIRECTORS' REPORT

	<i>Options at beginning of financial year</i>	<i>Exercised financial year 2002</i>	<i>Expired during the year</i>	<i>Exercised after balance date</i>	<i>Options at date of this report</i>
Executive Directors					
RL Kermode (CEO)	1,333,334	666,666			666,668
E Barukh (CFO)	666,667	333,333		333,334	-
Non-Executive Directors					
IA Armstrong	166,667	83,333			83,334
GF Bradd	250,000	83,333		166,667	-
ND Ford	250,000	166,666		83,334	-
PJ Franet	166,667	-		166,667	-
PJ Hyer	166,667	83,333		83,334	-
DS McMichael	166,667	83,333			83,334
NK Wran	250,000	166,666		83,334	-
Company Secretary					
NK Simmons (resigned 19 February 2002)	166,667	83,333	83,334		-
	3,583,336	1,749,996	83,334	916,670	833,336

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, and
- (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.

Meetings of Directors

The number of Director's Meetings which Directors were eligible to attend (including Committee Meetings) and the number attended by each Director during the year ended 30 June 2002 were:

	Directors Meetings		Committee Meetings							
	<i>Number Eligible to Attend</i>	<i>Number Attended</i>	<i>Audit Committee</i>		<i>Remuneration Committee</i>		<i>Investment Committee</i>		<i>Marketing Committee</i>	
			<i>Number Eligible to Attend</i>	<i>Number Attended</i>	<i>Number Eligible to Attend</i>	<i>Number Attended</i>	<i>Number Eligible to Attend</i>	<i>Number Attended</i>	<i>Number Eligible to Attend</i>	<i>Number Attended</i>
RL Kermode (CEO)	15	15	-	-	-	-	4	4	-	-
E Barukh (CFO)	15	15	-	-	-	-	4	4	-	-
IA Armstrong	15	13	3	3	-	-	-	-	-	-
GF Bradd	15	14	3	2	-	-	-	-	-	-
ND Ford	15	13	-	-	1	1	4	4	4	4
PJ Franet	15	15	-	-	-	-	-	-	-	-
PJ Hyer	15	15	3	2	1	1	-	-	-	-
DS McMichael	15	15	-	-	-	-	-	-	4	4
NK Wran	15	15	3	3	-	-	-	-	-	-

DIRECTORS' REPORT

Directors' and Executive Officers' Emoluments

The nature and amount of each major element of emoluments for the Directors, Chief Executive Officer and Senior Executives is described below and it is the role of the Remuneration Committee to advise the Board on these as part of the Company's remuneration policies and practices.

<i>Parent & Economic Entity</i>	<i>Salary</i> \$	<i>Directors' fees</i> \$	<i>Superannuation contributions</i> \$	<i>Other benefits</i> \$	<i>Total</i> \$
RL Kermode (CEO)	188,721	-	-	524,250	712,971
E Barukh (CFO)	106,607	-	2,834	237,651	347,092
IA Armstrong	-	6,900	39,100	-	46,000
GF Bradd	-	-	46,000	-	46,000
ND Ford	-	52,963	3,037	-	56,000
PJ Franet	-	37,963	3,037	-	41,000
PJ Hyer	-	47,963	3,037	-	51,000
DS McMichael	-	42,963	3,037	-	46,000
NK Wran	-	46,000	-	-	46,000
	295,328	234,752	100,082	761,901	1,392,063

Officers receiving the highest emoluments:

<i>Parent & Economic Entity</i>	<i>Salary</i> \$	<i>Termination payments</i> \$	<i>Superannuation contributions</i> \$	<i>Other benefits</i> \$	<i>Total</i>
<i>Executive Officers</i>					
RL Kermode	188,721	-	-	524,250	712,971
E Barukh	106,607	-	2,834	237,651	347,092
N Hennessy (former CEO of CCN to 18/3/02)	59,654	131,250	1,399	-	192,303
NK Simmons (resigned 19/2/02)	107,736	-	2,587	-	110,323
	462,718	131,250	6,820	761,901	1,362,689

Indemnities and Insurance Premiums for Directors/Officers and Auditors

The Company has not during or since the reporting period -

- (a) given any indemnity to a current or former officer or auditor against a liability that is covered by Sub Section 199A (*2) or (3), or any relevant agreement under which an officer or auditor may be given an indemnity of that kind; or
- (b) paid or agreed to pay a premium for insurance against current or former officers or auditors liability for legal costs except indemnities as provided in the Constitution, and having paid premiums for contracts for its Directors and Officers (being those Directors and Officers listed under the heading Directors' and Executive Officers' Emoluments) which contracts do not insure against a liability (other than for legal costs) arising out of:
 - (i) conduct involving a wilful breach of duty in relation to the Company; or
 - (ii) a contravention of Section 182 and 183 Corporations Act.

Signed in accordance with a resolution of the Board of Directors



Neville Wran
Director



Peter Hyer
Director

Dated at Sydney this 17th day of September 2002.

CORPORATE GOVERNANCE STATEMENT

for the year ended 30 June 2002

This statement outlines the main Corporate Governance practices that were in place throughout the financial year, unless otherwise stated. These practices are dealt with under the following headlines: Board of Directors and Board Committees, Internal Control Framework, Ethical Standards, Business Risks and Emergency Planning.

The Board of Directors and Board Committees

The Role of the Board

The Board of Directors has the overall responsibility for the Corporate Governance of the Company. It is responsible for setting strategic direction, confirming financial objectives and assuring the management function by establishing goals for management and monitoring performance against those goals. Above all, it is wholly accountable to, and focused on the needs of, all shareholders and other stakeholders. To give further effect the Board has established Board Compliance and Audit, Investment, Remuneration and Marketing Committees to assist in the execution of its responsibilities.

Composition of the Board

The Directors of the Company in office at the date of this statement are shown in the Director's Report; seven are non-executive Directors and two are executive Directors. The Company's Constitution requires Directors retire from office by rotation. Retiring Directors may offer themselves for re-election.

In the event that a potential conflict of interest may arise, Directors affected withdraw from the Board meeting for the period the matter is being considered and take no part in discussions, and exercise no influence over other Board members, as is required by the Directors' Code of Conduct.

Board Committees

The Directors seek to achieve best practice in Corporate Governance and accountability through the following Board Committees, which assist the Board in the execution of its responsibilities.

Board Compliance and Audit Committee

The role of the Board Compliance and Audit Committee, which is an advisory committee, is documented in its Charter approved by the Board of Directors. In accordance with its Charter, all Members of the Committee must be non-executive Directors. Members are appointed for two year terms. The role of the Committee is to review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company's process for monitoring compliance with laws and regulations and its own code of business conduct. The Committee is to make recommendations to the Board regarding the reappointment of the external

auditors and review their remuneration. The Committee under its Charter reviews the performance of the external auditors.

It also gives the Board of Directors additional assurance regarding the quality and reliability of financial information, prepared for use by the board in determining policies for inclusion in financial statements. The members of the Committee are I Armstrong, G Bradd, P Hyer, N Wran.

Investment Committee

The Investment Committee reports to the Board on matters of capital expenditure and investment. The members of the Committee are R Kermodie, E Barukh and N Ford.

Marketing Committee

The Marketing Committee reports to the Board on matters relating to marketing. The members of the Committee are N Ford and D McMichael.

Remuneration Committee

The Remuneration Committee reports to the Board on matters relating to establishing and reviewing remuneration arrangements for the Chief Executive Officer and other senior executives and non-executive Directors. The members of the Committee are N Ford and P Hyer.

Internal Control Framework

The Board acknowledges that it has responsibility for the overall control framework, but recognises that no cost effective control system will preclude all errors and irregularities. To assist in discharging this responsibility the Board has, in addition to establishing the Board Compliance and Audit Committee, implemented an internal control framework that can be described under three headings.

- Financial reporting: There is a comprehensive budgeting system with an annual budget approved by the Directors. Monthly actual results are reported against budget. Revised forecasts for the year are prepared as needed, together with monthly chart and graph analysis of trends and trading.
- Quality, integrity and performance of personnel: The Company's requirements are detailed in the Standard Operating Procedures, Employment Contracts and Job Specifications.
- Investment appraisal: The Company has clearly defined guidelines for capital expenditure. These include annual budgets, detailed appraisal and review procedures and due diligence enquiry, where business opportunities are being acquired or reassessed for viability.

Ethical Standards

The Directors acknowledge the need for continued maintenance of the highest standard of corporate governance practice and ethical conduct by all Directors and employees of the Company.

Code of Ethics

The Company aims to maintain the highest standard of ethical behaviour in ethical business dealings.

Objectives

In maintaining its ethical standards, the Company will:

- behave with integrity in all its dealings with shareholders, employees, Government, suppliers, business partners and the taxi industry;
- ensure that its actions comply with applicable laws and regulations;
- foster good relationships with Governments while remaining apolitical;
- maintain and implement policies that will enable employees to avoid situations where conflicts of interest could arise;
- not engage in any activity that could be construed to involve an improper inducement;
- achieve a working environment where;
 - equal opportunity is rigorously practiced;
 - harassment and other offensive behaviour is not tolerated;
 - the confidentiality of commercially sensitive information is protected;
 - employees are encouraged to discuss concerns about ethical behaviours with their supervisors.

The Chief Executive Officer is responsible to the Board for implementing, promoting and reviewing the effectiveness of the Code of Ethics.

Directors' Code of Conduct

The Directors' Code of Conduct demonstrates the commitment of Directors to achieve unambiguous accountability. The objectives are –

- to ensure Directors are seen to be 'transparent' in their conduct of the role of Director;
- to ensure that the interests of shareholders is understood, respected and recognised ahead of all else;
- to ensure Directors recognise and avoid situations of conflict of interest and other improper conduct;
- to provide assurance to shareholders that appropriate procedures of governance regulation and accountability

are in place such that shareholders will not be required to intervene or adjudicate in the role of Directors, save for the statutory obligation of nominating, electing and rewarding Directors.

- To ensure that Directors and officers conduct transactions in the Company's shares in an appropriate manner it is required that –
 1. Directors' discuss any proposed trade in the Company's shares with the Chairman prior to any trade,
 2. Senior Executives discuss any proposed trade in the Company's shares with the Chief Executive Officer prior to any trade,
 3. Always subject to compliance with Listing Rules and Corporations Act unless there are unusual circumstances trades in the Company's shares by Directors and Senior Executives are limited to the following periods:
 - (a) One month after the release of the Company's Half Year and Annual results to the Australian Stock Exchange (ASX), and
 - (b) The period commencing from lodgement of the Company's Annual Report with ASX, until one month after the Annual General Meeting of the Company.
 4. Directors and Senior Executives are prohibited from trading in the Company's shares if the Director or officer is in possession of price sensitive information or would be trading for a short term gain.
 5. Directors and Senior Executives are also aware of their obligations to ensure that they do not communicate price sensitive information to any other person who is likely to buy or sell the Company's shares or communicate that information to another party.

Business Risks and Emergency Planning

The Board and the Board Compliance and Audit Committee overview principal Business Assurance/Risk Management strategies affecting the core business operations.

Major business risks arise from such matters as action by competitors; Government policy changes; the impact of changes in consumer credit legislation and privacy regulation; the purchase, development and obsolescence of information systems technology and other events not otherwise anticipated.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2002

	Notes	Economic Entity		Parent Entity	
		2002 \$	2001 \$	2002 \$	2001 \$
Revenue from ordinary activities	2	588,100,645	545,414,734	572,878,675	545,414,565
Taxi hire charges and payments to service providers		(533,638,248)	(510,090,510)	(534,574,471)	(510,090,510)
Communication network costs		(5,183,145)	-	-	-
Employee benefits expense		(10,999,348)	(4,137,274)	(4,212,960)	(4,137,274)
Depreciation and amortisation expense	3	(4,479,169)	(3,103,844)	(3,467,143)	(3,103,844)
Borrowing expenses	3	(295,012)	-	-	-
Other expenses from ordinary activities		(10,455,538)	(8,995,181)	(9,258,737)	(8,973,033)
Profit from ordinary activities before income tax expense		23,050,185	19,087,925	21,365,364	19,109,904
Income tax expense relating to ordinary activities	4	(6,953,738)	(6,567,963)	(6,035,567)	(6,567,963)
Profit from ordinary activities after related income tax expense		16,096,447	12,519,962	15,329,797	12,541,941
Net loss attributable to outside equity interest		35,850	-	-	-
Net profit attributable to members of parent entity		16,132,297	12,519,962	15,329,797	12,541,941
Increase (decrease) in asset revaluation reserve	20 (b)	(1,150,844)	980,182	(1,150,844)	980,182
Total changes in equity other than those resulting from transactions with owners as owners		14,981,453	13,500,144	14,178,953	13,522,123
Basic earnings per share	23	14.7 cents	11.5 cents		
Diluted earnings per share	23	14.6 cents	11.5 cents		

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

as at 30 June 2002

	Notes	Economic Entity		Parent Entity	
		2002 \$	2001 \$	2002 \$	2001 \$
Current Assets					
Cash assets	5	39,219,746	38,546,871	19,344,385	38,541,253
Receivables	6	49,078,401	41,504,541	41,830,930	41,618,014
Inventories	7	1,414,632	-	-	-
Total Current Assets		89,712,779	80,051,412	61,175,315	80,159,267
Non-Current Assets					
Other financial assets	8	13,723,541	8,628,427	144,766,002	8,699,384
Property, plant and equipment	9	28,906,365	18,947,147	16,066,360	18,947,147
Intangible assets	10	3,070,182	2,428,552	2,178,776	2,428,552
Deferred tax assets	11	968,595	353,223	320,257	353,223
Other	12	1,415,328	-	-	-
Total Non-Current Assets		48,084,011	30,357,349	163,331,395	30,428,306
Total Assets		137,796,790	110,408,761	224,506,710	110,587,573
Current Liabilities					
Payables	13	8,515,108	4,388,149	3,765,205	4,385,383
Interest-bearing liabilities	14	12,379,637	-	-	-
Current tax liabilities	15	3,757,556	4,665,159	2,379,884	4,665,159
Provisions	16	8,168,306	4,913,661	9,225,728	4,913,661
Total Current Liabilities		32,820,607	13,966,969	15,370,817	13,964,203
Non-Current Liabilities					
Deferred tax liabilities	17	278,596	226,882	130,378	226,882
Provisions	18	1,194,449	220,070	207,053	220,070
Total Non-Current Liabilities		1,473,045	446,952	337,431	446,952
Total Liabilities		34,293,652	14,413,921	15,708,248	14,411,155
Net Assets		103,503,138	95,994,840	208,798,462	96,176,418
Equity					
Contributed equity	19	71,605,575	68,164,696	181,164,253	68,164,696
Reserves	20	31,925	1,182,769	31,925	1,182,769
Retained Profits	21	31,646,488	26,647,375	27,602,284	26,828,953
Parent entity interest		103,283,988	95,994,840	208,798,462	96,176,418
Outside equity interest		219,150	-	-	-
Total Equity		103,503,138	95,994,840	208,798,462	96,176,418

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

for the year ended 30 June 2002

	Notes	Economic Entity		Parent Entity	
		2002 \$	2001 \$	2002 \$	2001 \$
Cash Flows from Operating Activities					
Receipts from customers and others		604,372,753	534,926,995	577,652,103	534,926,995
Payments to suppliers, licensees and employees		(578,337,350)	(519,840,092)	(556,929,938)	(519,820,202)
Dividends received		149,441	5,535	1,518,924	5,535
Interest received		2,156,097	2,081,536	1,705,221	2,081,367
Borrowing costs		(295,012)	-	-	-
Income tax paid		(8,430,667)	(6,563,449)	(8,384,378)	(6,563,449)
Net Cash provided by operating activities	31 (a)	19,615,262	10,610,525	15,561,932	10,630,246
Cash Flows from Investing Activities					
Proceeds from sale of property, plant and equipment		158,273	-	-	-
Repayment of loans from related parties		-	5,048,035	-	5,048,035
Purchase of property, plant and equipment		(796,179)	(4,856,227)	(336,581)	(4,856,227)
Purchase of investments					
Net cash payment for investment in subsidiary, Combined Communications Network Limited ("CCN")		(10,626,216)	(5,356,772)	(25,798,246)	(5,356,772)
Other		(1,010,437)	(324,226)	(1,010,437)	(324,226)
Payments for related parties		-	-	(13,685)	(20,481)
Net Cash provided by (used in) Investing Activities		(12,274,559)	(5,489,190)	(27,158,949)	(5,509,671)
Cash Flows from Financing Activities					
Proceeds from issue of shares		2,599,995	1,983,330	2,599,995	1,983,330
Repayment of borrowings		(437,460)	-	-	-
Dividends paid		(8,830,363)	(9,264,842)	(10,199,846)	(9,264,842)
Net Cash provided by (used in) financing activities		(6,667,828)	(7,281,512)	(7,599,851)	(7,281,512)
Net increase (decrease) in Cash held		672,875	(2,160,177)	(19,196,868)	(2,160,937)
Cash at the beginning of the financial year		38,546,871	40,707,048	38,541,253	40,702,190
Cash at the end of the financial year	5	39,219,746	38,546,871	19,344,385	38,541,253

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2002

1 Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the economic entity of Cabcharge Australia Limited ("Cabcharge") and controlled entities, and Cabcharge Australia Limited as an individual parent entity. Cabcharge Australia Limited is a listed public company, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Principles of Consolidation

The consolidated accounts comprise the accounts of Cabcharge Australia Limited and all of its controlled entities. A controlled entity is any entity controlled by Cabcharge Australia Limited. Control exists where Cabcharge Australia Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Cabcharge Australia Limited to achieve the objectives of Cabcharge Australia Limited. A list of controlled entities is contained in Note 27 to the financial statements.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

Where controlled entities have entered or left the economic entity during the year, their operating results are included from the date control was obtained or until the date control ceased.

Outside interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

(b) Income Tax

The economic entity adopts the liability method of tax-effect accounting whereby the income tax expense is

based on the profit from ordinary activities adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income are brought to account as either deferred tax asset or deferred tax liability at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Deferred tax assets are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Deferred tax assets in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

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 economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Foreign Currency Transactions and Balances

Foreign currency transactions during the year are converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date.

The gains and losses from conversion of short-term assets and liabilities, whether realised or unrealised, are included in profit from ordinary activities as they arise.

The assets and liabilities of the overseas controlled entities, which are self-sustaining, are translated at year-end rates and operating results are translated at the rates ruling at the end of each month. Gains and losses arising on translation are taken directly to the foreign currency translation reserve.

(d) Acquisitions of Assets

The cost method of accounting is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition. Where goodwill arises it is brought to account on the basis described in note 1(i). Where the fair values of the identifiable net assets acquired by the entity exceed the cost of acquisition incurred by the entity, the difference represents a discount on acquisition and is accounted for by reducing

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2002

proportionately the fair values of the non-monetary assets acquired until the discount is eliminated.

(e) Revaluation of Non-Current Assets

Land and Buildings are revalued at regular intervals. Independent assessments are obtained of the fair market value of land and buildings and such assessments are used as a guide when revaluations are made. Revaluation increments are credited directly to the asset revaluation reserve.

Revaluations do not result in the carrying value of land or buildings exceeding the net amount expected to be recovered through the net cash inflows arising from their continued use and subsequent disposal ("recoverable amount"). The expected net cashflows have not been discounted to present values in determining recoverable amounts.

Where the carrying amount of an individual non-current asset is greater than its recoverable amount the asset is revalued to its recoverable amount. To the extent that the revaluation decrement reverses a revaluation increment previously credited to and still included in the balance of, the asset revaluation reserve, the decrement is debited directly to that reserve.

Otherwise the decrement is recognised as an expense in the profit and loss account. Revaluations have not taken into account potential capital gains tax.

(f) Inventories

Inventories are measured at the lower of cost and net reliable value. Cost are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

(g) Investments

Shares

Shares in listed companies held as current assets are valued by Directors at those shares' market value at each balance date. Unrealised gains are credited to asset revaluation reserve. Unrealised losses are debited to asset revaluation reserve to the extent that the revaluation decrement reverses a previous revaluation increment credited to the reserve.

Non-current investments are carried at cost or at Directors' valuation. The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the shares' current market value or the underlying net assets in the

particular entities. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

Investments in Associates are recognised in the financial statements by applying the equity method of accounting.

(h) Taxi Licence Plates

Taxi licence plates are valued at cost (calculated after crediting discount on acquisition).

(i) Fixed term Taxi Licences

Fixed term taxi licences are valued at cost (calculated after crediting discount on acquisition) less a proportional charge to expense based on the term of the licences.

(j) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the economic entity 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.

Leased assets are depreciated on a straight line basis over the estimated useful lives where it is likely that the economic entity will obtain ownership 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.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability. Lease payments received reduce the liability.

(k) Depreciation

Depreciation is calculated on straight line and diminishing value basis to write off the net cost or revalued amount of each item of property, plant and equipment over its expected useful life. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

The depreciation rates used for each major class of asset are:

Buildings	1%
Furniture, fittings, plant and equipment	5% to 33%
EFTPOS Equipment	12.5%

DIRECTORS' REPORT

Notes to the Financial Statements for
Financial Year ended June 30 2002

(l) Intangible Assets

Goodwill

On acquisition of some, or all, of the assets of another entity or, in the case of an investment in a controlled entity, on acquisition of some, or all, of the equity of that controlled entity, the identifiable net assets acquired are measured at their fair value. The excess of the fair value of the purchase consideration plus incidental expenses over the fair value of identifiable net assets acquired (ie goodwill) is amortised on a straight line basis over twenty years, being the period during which the benefits are expected to arise.

Patents and Trademarks

Significant costs associated with patents and trademarks having a benefit or relationship to more than one accounting period are deferred and amortised over the periods of their expected benefit.

(m) Cash

For purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

(n) Research and Development Expenditure

Research and Development costs are charged to profit from ordinary activities before income tax as incurred or deferred where it is expected beyond any reasonable doubt that sufficient future benefits will be derived so as to recover those deferred costs.

Deferred research and development expenditure is amortised on a straight line basis over the period during which the related benefits are expected to be realised, once commercial production has commenced.

(o) Revenue

Taxi hire charges and account service fee revenue is recognised upon billing. Account service fee revenue is disclosed net of Goods and Services Tax ("GST"), where applicable. 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.

Communications and leasing fees are billed every 28 days in advance. Operating revenue receipts relating to years beyond the current financial year are shown in the statement of financial position as unearned revenue under the heading of Current Liabilities – Payables.

Dividend revenue is recognised when the right to dividend has been established.

(p) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(q) Employee Entitlements

Provision is made for the economic entity's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and long service leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the economic entity to employee superannuation funds and are charged as expenses when incurred.

Notes (d), (f), (h) and (i) have been adopted this year following the acquisition of CCN.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2002

	Economic Entity		Parent Entity	
	2002 \$	2001 \$	2002 \$	2001 \$
2 Revenue				
Operating activities				
Taxi hire charges and fee revenue	565,855,089	539,813,190	565,855,089	539,813,190
Communication fees	8,304,730	-	-	-
Taxi leasing revenue	3,993,201	-	-	-
Revenue from sales of goods and services	2,605,840	-	-	-
Dividends received				
Wholly owned subsidiaries	-	-	1,369,483	-
Other related corporations	147,043	-	147,043	-
Other corporations	2,398	5,535	2,398	5,535
Interest received				
Related parties	-	279,609	-	279,609
Other persons	2,156,097	1,701,928	1,705,221	1,701,759
Rental revenue	48,081	58,902	48,081	58,902
Other revenue	4,829,893	3,555,570	3,751,360	3,555,570
	<u>587,942,372</u>	545,414,734	<u>572,878,675</u>	545,414,565
Non-operating activities				
Proceeds on sale of property, plant and equipment	158,273	-	-	-
Total Revenue	<u>588,100,645</u>	545,414,734	<u>572,878,675</u>	545,414,565

3 Profit from Ordinary Activities

Profit from ordinary activities before income tax has been determined after:

Expenses

Borrowing costs				
Other persons	295,012	-	-	-
Total borrowing costs	<u>295,012</u>	-	-	-
Depreciation of non-current assets				
Building	89,318	22,349	22,348	22,349
Plant and equipment	3,732,048	2,830,468	3,195,020	2,830,468
Total depreciation	<u>3,821,366</u>	2,852,817	<u>3,217,368</u>	2,852,817
Depreciation of leased motor vehicles	407,411	-	-	-
Amortisation of non-current assets				
Goodwill	249,775	249,774	249,775	249,774
Patent and copyright	-	1,253	-	1,253
Others	617	-	-	-
Total amortisation	<u>250,392</u>	251,027	<u>249,775</u>	251,027
Total depreciation and amortisation	<u>4,479,169</u>	3,103,844	<u>3,467,143</u>	3,103,844
Loss on disposal of property, plant and equipment	282,243	-	-	-
Bad and doubtful debts – trade debtors	1,490,584	725,024	1,468,910	725,024

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2002

	Economic Entity		Parent Entity	
	2002 \$	2001 \$	2002 \$	2001 \$
4 Income Tax				
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:				
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2001:34%)	6,915,055	6,489,894	6,409,607	6,497,367
Add tax effect of:				
Non-deductible depreciation and amortisation	82,447	92,522	81,637	92,522
Timing differences and tax losses not brought to account	1,068	7,473	-	-
Adjustments to deferred tax assets and liabilities for change in company tax rate to 30% in 2001	-	16,632	-	16,632
	6,998,570	6,606,521	6,491,244	6,606,521
Less tax effect of:				
Rebateable fully franked dividends	(44,832)	(1,882)	(455,677)	(1,882)
Other non assessable income	-	(36,676)	-	(36,676)
Income tax expense attributable to profit from ordinary activities before income tax	6,953,738	6,567,963	6,035,567	6,567,963

5 Current Assets – Cash

Cash at bank	11,835,430	4,211,663	1,500	1,500
Deposits at call	27,384,316	34,335,208	19,342,885	38,539,753
Balance per statement of cash flows	39,219,746	38,546,871	19,344,385	38,541,253

6 Current Assets – Receivables

Trade debtors	41,665,568	38,232,807	40,391,794	38,232,807
Provision for doubtful debts	(423,991)	(354,624)	(354,624)	(354,624)
	41,241,577	37,878,183	40,037,170	37,878,183
Amounts receivable from:				
Wholly owned subsidiaries other than CCN	-	-	127,158	113,473
Subsidiary company, CCN (an associated company in 2001)	-	183,529	164,503	183,529
Leases/advances to taxi operators	1,867,708	-	-	-
Other debtors	5,969,116	3,442,829	1,502,099	3,442,829
	49,078,401	41,504,541	41,830,930	41,618,014

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2002

	Economic Entity		Parent Entity	
	2002 \$	2001 \$	2002 \$	2001 \$
7 Current Assets – Inventories				
At lower of cost and net realisable value				
Parts, safety cameras and sundries	1,414,632	-	-	-

8 Non-Current Assets – Other Financial Assets

Market value of listed investments				
Shares in other related party (CCN)	-	6,469,885	-	6,469,885
Shares in other listed corporations	157,805	174,177	136,446	174,177
Unlisted investments at cost				
Shares in controlled entities	-	-	141,655,537	100,957
Shares in other corporations	2,991,022	1,984,365	2,974,019	1,954,365
Investment in taxi plates – at cost	10,574,714	-	-	-
	13,723,541	8,628,427	144,766,002	8,699,384

9 Non-Current Assets – Property, Plant and Equipment

(a) Composition

Land – at Directors' valuation – 2001	-	2,100,000	-	2,100,000
Land – at Directors' valuation – 2002	2,100,000	-	2,100,000	-
Land acquired during the year – at cost	4,704,619	-	-	-
	6,804,619	2,100,000	2,100,000	2,100,000
Building – at Directors' valuation – 2001	-	2,214,128	-	2,214,128
Building – at Directors' valuation – 2002	2,214,128	-	2,214,128	-
Buildings acquired during the year – at cost	4,875,716	-	-	-
Accumulated depreciation	(323,981)	(234,663)	(257,011)	(234,663)
	6,765,863	1,979,465	1,957,117	1,979,465
Total land and buildings	13,570,482	4,079,465	4,057,117	4,079,465
Furniture, fittings, plant and equipment – at cost	6,165,747	2,108,788	2,278,011	2,108,788
Accumulated depreciation	(2,509,410)	(1,746,280)	(1,948,314)	(1,746,280)
	3,656,337	362,508	329,697	362,508
Eftpos equipment – at cost	23,045,681	22,902,391	23,045,681	22,902,391
Accumulated depreciation	(11,366,135)	(8,397,217)	(11,366,135)	(8,397,217)
	11,679,546	14,505,174	11,679,546	14,505,174
	28,906,365	18,947,147	16,066,360	18,947,147

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2002

	Land & Buildings \$	Furniture, fittings, plant and equipment \$	Eftpos equipment \$	Total \$
9 Non-Current Assets – Property, Plant and Equipment – continued				
(b) Movement in carrying amounts				
Economic Entity				
Balance at the beginning of the year	4,079,465	362,508	14,505,174	18,947,147
Additions through acquisition of subsidiaries	9,485,969	3,938,952	–	13,424,921
Other additions	94,366	558,523	143,290	796,179
Disposals	–	(440,516)	–	(440,516)
Depreciation expense	(89,318)	(763,130)	(2,968,918)	(3,821,366)
Carrying amount at the end of the year	<u>13,570,482</u>	<u>3,656,337</u>	<u>11,679,546</u>	<u>28,906,365</u>
Parent Entity				
Balance at the beginning of the year	4,079,465	362,508	14,505,174	18,947,147
Additions	–	193,291	143,290	336,581
Depreciation expense	(22,348)	(226,102)	(2,968,918)	(3,217,368)
Carrying amount at the end of the year	<u>4,057,117</u>	<u>329,697</u>	<u>11,679,546</u>	<u>16,066,360</u>

(c) Note on valuation of property

The carrying amount of Land and Buildings are reviewed annually by the Directors. If the carrying amount of an item of the Land and Buildings exceeds its recoverable amount, the asset is written down to the lesser amount. An independent valuation was performed by Lachlan Graham, A.A.P.I. Registered valuer, of Landmark White on 2 September 2002. The independent valuation for Land and Building was based upon “market value, subject to vacant possession”.

	Economic Entity		Parent Entity	
	2002 \$	2001 \$	2002 \$	2001 \$
10 Non-Current Assets – Intangibles				
Goodwill at cost	4,995,500	4,995,500	4,995,500	4,995,500
Accumulated amortisation	(2,816,724)	(2,566,948)	(2,816,724)	(2,566,948)
	<u>2,178,776</u>	2,428,552	<u>2,178,776</u>	2,428,552
Intellectual Property at cost	892,023	–	–	–
Accumulated amortisation	(617)	–	–	–
	<u>891,406</u>	–	–	–
Patent and Copyright at cost	225,000	225,000	225,000	225,000
Accumulated amortisation	(225,000)	(225,000)	(225,000)	(225,000)
	<u>–</u>	–	<u>–</u>	–
	<u>3,070,182</u>	2,428,552	<u>2,178,776</u>	2,428,552

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2002

	Economic Entity		Parent Entity	
	2002 \$	2001 \$	2002 \$	2001 \$
11 Deferred Tax Assets				
Future income tax benefit comprising timing differences	968,595	353,223	320,257	353,223
12 Non-Current Other Assets				
Prepaid fixed term tax licenses	1,415,328	-	-	-
13 Current Liabilities – Payables				
Trade Creditors	2,959,660	954,359	2,106,200	2,854,360
Other creditors and accruals	4,649,411	3,433,790	1,659,005	1,531,023
Unearned revenue	906,037	-	-	-
	8,515,108	4,388,149	3,765,205	4,385,383
14 Current Liabilities – Interest bearing				
Unsecured loans	12,379,637	-	-	-
15 Current Liabilities – Tax Liabilities				
Income tax	3,757,556	4,665,159	2,379,884	4,665,159
16 Current Liabilities – Provisions				
Dividend	6,665,655	4,363,259	8,719,880	4,363,259
Employee entitlements	1,502,651	550,402	505,848	550,402
	8,168,306	4,913,661	9,225,728	4,913,661
17 Non-Current Liabilities – Deferred Tax Liabilities				
Provision for deferred income tax	278,596	226,882	130,378	226,882
18 Non-Current Liabilities – Provisions				
Employee entitlements	1,194,449	220,070	207,053	220,070
Aggregate Employee Liability entitlements				
Balance at end of year	2,697,100	770,472	712,901	770,472
	No.	No.	No.	No.
Number of employees at year end	310	80	66	80

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2002

	Economic Entity		Parent Entity	
	2002 (number)	2001 (number)	2002 (number)	2001 (number)
19 Contributed Equity				
(a) Composition and movement in issued capital (number of shares)				
Composition of Issued Capital				
Fully Paid Ordinary Shares	111,094,248	109,081,476	145,331,335	109,081,476
Movements in Ordinary Shares				
Number at the beginning of the reporting period	109,081,476	107,664,812	109,081,476	107,664,812
Options exercised		1,416,664		1,416,664
26 July 2001	83,333	-	83,333	-
15 August 2001	83,333	-	83,333	-
30 August 2001	166,666	-	166,666	-
12 September 2001	249,999	-	249,999	-
21 January 2002	166,666	-	166,666	-
18 March 2002	999,999	-	999,999	-
	1,749,996	1,416,664	1,749,996	1,416,664
Shares issued in consideration for the takeover of CCN				
25 January 2002	30,923,930	-	30,923,930	-
27 February 2002	3,573,110	-	3,573,110	-
05 March 2002	2,823	-	2,823	-
	34,499,863	-	34,499,863	-
Elimination of cross-holding shares in Cabcharge (c)				
25 January 2002	(34,237,087)	-	-	-
	(34,237,087)	-	-	-
Number at end of reporting period	111,094,248	109,081,476	145,331,335	109,081,476

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2002

	Economic Entity		Parent Entity	
	2002 \$	2001 \$	2002 \$	2001 \$
19 Contributed Equity – continued				
(b) Composition and movement in issued capital (dollars)				
Composition of Issued Capital				
Fully Paid Ordinary Shares	71,605,575	68,164,696	181,164,253	68,164,696
Movements in Ordinary Shares				
Paid up amount at the beginning of the reporting period	68,164,696	66,181,366	68,164,696	66,181,366
Options exercised		1,983,330		1,983,330
26 July 2001	125,000	-	125,000	-
15 August 2001	116,666	-	116,666	-
30 August 2001	241,666	-	241,666	-
12 September 2001	366,665	-	366,665	-
21 January 2002	249,999	-	249,999	-
18 March 2002	1,499,999	-	1,499,999	-
	2,599,995	1,983,330	2,599,995	1,983,330
Shares issued in consideration for the takeover of CCN				
25 January 2002	98,956,576	-	98,956,576	-
27 February 2002	11,433,952	-	11,433,952	-
05 March 2002	9,034	-	9,034	-
	110,399,562	-	110,399,562	-
Elimination of cross-holding shares in Cabcharge (c)				
25 January 2002	(109,558,678)	-	-	-
	(109,558,678)	-	-	-
Paid up amount at end of reporting period	71,605,575	68,164,696	181,164,253	68,164,696

(c) Elimination of cross-holding shares in Cabcharge –

For the purposes of the consolidated accounts, the cross-shareholding in Cabcharge of CCN and its subsidiaries, Taxis Combined Services Pty Limited ("TCS"), Silver Service Taxis Pty Ltd ("Silver") and Yellow Cabs of Sydney Pty Ltd ("Yellow"), have been eliminated on the basis of the principle that a company cannot own shares in itself. Under the Corporations Act 2001, the Company has a period of up to 12 months from the time of its acquisition of CCN in which to divest of the cross-shareholding. Subject to the passing of a Special Resolution at the Annual General Meeting of the Company to approve a Selective Share Buy-Back, the total of 34,237,087 shares held by CCN, TCS, Silver and Yellow will be acquired by Cabcharge and cancelled immediately.

(d) Options over unissued shares:

No options were granted during the year (2001: 500,000 granted).

The total number of options granted but not yet exercised was 1,750,006 at 30 June 2002.

Up to two-thirds of the total number of options granted were exercisable in the period to 30 June 2002 (one-third having been exercisable in the period to 30 June 2001). All options are exercisable in the period after 30 June 2002.

Options expire 5 years from date of issue, however the Board can extend the expiry date.

The Exercise Price for options is as follows:

- \$1.40 for the first third of options exercised
- \$1.50 for the second third of options exercised
- \$1.60 for the final third of options exercised

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2002

	Economic Entity		Parent Entity	
	2002 \$	2001 \$	2002 \$	2001 \$
20 Reserves				
(a) Composition				
Asset revaluation reserve	31,925	1,182,769	31,925	1,182,769
(b) Movement During The Year				
Asset revaluation reserve –				
Balance at beginning of the financial year	1,182,769	202,587	1,182,769	202,587
Revaluation decrement on investments –				
Adjustment to Cabcharge’s investment in CCN from market value in the books as at 30 June 2001 to cost base	(1,113,113)	–	(1,113,113)	–
Other listed securities	(37,731)	–	(37,731)	–
Revaluation increment on investments	–	980,182	–	980,182
Balance at the end of the financial year	31,925	1,182,769	31,925	1,182,769
The asset revaluation reserve records revaluations of non-current assets				

21 Retained Profits

Retained profits at the beginning of the financial year	26,647,375	22,910,601	26,828,953	23,070,200
Net profit attributable to the members of the parent entity	16,132,297	12,519,962	15,329,797	12,541,941
Dividends provided for or paid (note 22)	(11,133,184)	(8,783,188)	(14,556,466)	(8,783,188)
Retained profits at the end of the financial year	31,646,488	26,647,375	27,602,284	26,828,953

22 Dividends

Interim fully franked ordinary dividend of 4 cents per share franked at the tax rate of 30% (2001:4 cents franked at 34%)	4,444,196	4,359,926	5,813,253	4,359,926
Proposed final fully franked ordinary dividend of 6 cents per share franked at the tax rate of 30% (2001: 4 cents franked at 30%)	6,665,655	4,363,259	8,719,880	4,363,259
Dividends on options exercised (post balance date) franked at the tax rate of 30% (2001:34%)	23,333	60,003	23,333	60,003
Total dividends provided for or paid	11,133,184	8,783,188	14,556,466	8,783,188

The dividends provided for or paid in the economic entity are after elimination of the portion paid or payable in respect of the cross-shareholding referred to in note 19 (c)

Dividends cents per share

Interim	4.0	4.0	4.0	4.0
Final	6.0	4.0	6.0	4.0
Total	10.0	8.0	10.0	8.0

The final 6 cents per share dividend is scheduled for payment on 14 October 2002.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2002

	Economic Entity		Parent Entity	
	2002	2001	2002	2001
	\$	\$	\$	\$

23 Earnings per Share

Weighted average number of fully paid ordinary shares outstanding during the year used in calculation of basic EPS

110,039,829 108,784,444

Weighted average number of options outstanding

766,171 473,516

Weighted average number of ordinary shares outstanding during the year used in calculation of diluted EPS

110,806,000 109,257,960

Weighted average number of shares have been calculated on a consistent basis with note 19 to eliminate CCN and its subsidiaries' cross-shareholding in Cabcharge in the consolidated accounts.

Diluted earnings per share is calculated after classifying all options on issue but not exercised as if they were exercised at the earliest possible exercise date.

Post balance date, to the date of signing this annual report, Directors have exercised share options resulting in the issue of 916,670 fully paid ordinary shares.

24 Dividend Franking Balances

Balance at the beginning of the financial year

42,436,464 30,762,936 **42,436,464** 30,762,936

Franking credit balance acquired from takeover of CCN group

1,785,293 - - -

Franking credit arising from income tax paid or payable in respect of the financial year

17,142,738 12,585,647 **13,930,436** 12,585,647

Franked dividends received

1,519,556 5,536 **1,518,924** 5,536

Franked dividends paid or proposed

(11,133,184) (8,783,188) **(14,556,466)** (8,783,188)

Adjustment to reflect the change in Company tax rate to 30% in 2001

- 7,865,533 - 7,865,533

Balance at the end of the financial year

51,750,867 42,436,464 **43,329,358** 42,436,464

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2002

	<i>Economic Entity</i>		<i>Parent Entity</i>	
	2002	2001	2002	2001
	\$	\$	\$	\$

25 Remuneration and Retirement Benefits:

(a) Directors' Remuneration:

Income paid or payable to all Directors of each entity in the economic entity by entities of which they are directors and any related parties

1,392,063 1,670,952

Income paid or payable to all Directors of the parent entity by the parent entity and any related parties

1,392,063 1,670,952

Number of Parent entity Directors whose income from the parent entity and any related parties was within the following bands:

	Number	Number
\$30,000 – \$39,999	–	5
\$40,000 – \$49,999	5	–
\$50,000 – \$59,999	2	–
\$210,000 – \$219,999	–	1
\$340,000 – \$349,999	1	–
\$390,000 – \$399,999	–	1
\$400,000 – \$409,999	–	1
\$470,000 – \$479,999	–	1
\$710,000 – \$719,999	1	–

The names of parent entity Directors who held office during the financial year are – RL Kermode, E Barukh, IA Armstrong, GF Bradd, ND Ford, PJ Franet, PJ Hyer, DS McMichael and NK Wran.

(b) Executive Remuneration

Remuneration received or due and receivable by executive officers of the economic entity from entities in the economic entity, and any related entities for management of the affairs of the economic entity, whose remuneration is \$100,000 or more

1,362,689 925,328

Remuneration received or due and receivable by executive officers of the parent entity, from parent entity and any related entities for management of the affairs of the parent entity and its subsidiaries, whose remuneration is \$100,000 or more

1,362,689 925,328

Number of economic entity executives whose income was within the following bands:

	Number of executives		Number of executives	
\$110,000 – \$119,999	1	–	1	–
\$190,000 – \$199,999	1	–	1	–
\$210,000 – \$219,999	–	1	–	1
\$230,000 – \$239,999	–	1	–	1
\$340,000 – \$349,999	1	–	1	–
\$470,000 – \$479,999	–	1	–	1
\$710,000 – \$719,999	1	–	1	–

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2002

	<i>Economic Entity</i>		<i>Parent Entity</i>	
	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>
	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>

26 Remuneration of Auditors

Amounts received or due and receivable by the auditors for:

Auditing the financial statements	163,060	66,700	110,060	66,700
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The following amounts were received or due and receivable by auditors of subsidiaries –

Auditing the financial statements	5,965	7,588	–	–
Other services	6,778	5,680	–	–
	12,743	13,268	–	–

27 Particulars Relating to Controlled Entities

Details of controlled entities including contribution to group results are reflected below:

	<i>Country of Incorporation</i>	<i>Group Interest %</i>	
		<i>2002</i>	<i>2001</i>
Combined Communications Network Limited (*)	Australia	100	–
Taxi Combined Services Pty Ltd #	Australia	100	–
Silver Service Taxis Pty Ltd #	Australia	100	–
Yellow Cabs of Sydney Pty Ltd #	Australia	100	–
Cabcharge International Limited	Hong Kong	100	100
Cabcharge New Zealand Limited	New Zealand	100	100
Cabcharge Investments Pty Ltd	Australia	100	100
Transcharge Australia Pty Ltd	Australia	100	100
Helpline Australia Pty Ltd	Australia	100	100
Taxi Combined Services (Vic) Pty Ltd #	Australia	100	–
Drycol Property Trust #	Australia	100	–
Drycol Properties Pty Ltd #	Australia	100	–
TCS Communications (Vic) Pty Ltd #	Australia	100	–
Carbodies Australia Pty Ltd #	Australia	100	–
Combined Network Couriers Pty Ltd #	Australia	100	–
Enterprise Speech Recognition Pty Ltd #	Australia	62	–

* On 18 January 2002, the parent entity obtained control of CCN and its controlled entities (those marked # above) having received acceptances from shareholders holding more than 90% of the shares on issue. The balance of shares were compulsorily acquired during the following weeks as provided for under the Corporations Act 2001.

The Company has guaranteed financial support to these subsidiaries, if necessary, to enable them to meet their financial commitments where due.

28 Superannuation Commitments

All employees of the economic entity are entitled to benefits on retirement, disability, death, resignation or retrenchment from The De Luxe Cab Company Limited – AXA Tailored Superannuation Plan, NM Superannuation Pty Ltd (ABN 31 008 428 322) acting as trustee. The trustee is an “approved trustee” under the Superannuation Industry (Supervision) Act 1993 (SIS). The administrator and insurer of the fund is AXA Australia (ABN 72 004 020 437). This fund is an accumulation type fund based on employers’ contribution of 8% of the employee’s ordinary time earnings, which is in accordance with the relevant Standards outlined in the Occupational Superannuation Standards Act, Superannuation Guarantee (Administration) Act and Superannuation Industry Supervision Act (SIS).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2002

29 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	2002	2001
(a) Fees paid or payable in capacity as taxi company	Black Cabs Combined	Director related entity (Mr G Bradd)	889,939	849,653
	Cumberland Cabs Company Pty Ltd, Northern Districts Taxis & Western District Taxis (Trading as Premier Cabs)	Director related entity (Mr P Hyer)	702,955	780,197
	Silver Top Taxi Services Limited	Director related entity (Mr P Franet)	1,366,927	1,403,420
	Queensland Taxi Investment Pty Ltd (Trading as Yellow Cabs)	Director related entity (Mr N Ford)	835,572	782,680
	Combined Communications Network Limited (*)	Related party (*)	2,218,440	2,223,837
(b) Interest received on borrowed funds	Combined Communications Network Limited	Related party (*)	–	279,609

* In January 2002, CCN became a subsidiary of Cabcharge. Post-acquisition (and on the same terms and conditions as those prior to its acquisition), an amount of \$936,223 in fees were paid or payable by Cabcharge to CCN in respect of the current financial year. In the consolidated accounts, those post-acquisition fees have been eliminated from revenues and expenses.

As at 30 June 2002, CCN owed Cabcharge on current trading account an amount of \$164,503.

	Economic Entity		Parent Entity	
	2002 \$	2001 \$	2002 \$	2001 \$
(c) Directors share transactions				
Directors and Director-related entities hold directly, indirectly or beneficially as at the reporting date the following equity interests in the ordinary shares of Cabcharge Australia Limited.	18,228,220	4,487,268	18,228,220	4,487,268
Movement during the year:				
Number at the beginning of the year	4,487,268	3,427,796	4,487,268	3,427,796
Adjustment to include additional Director-related entities	11,835,441	–	11,835,441	–
Options exercised	1,666,663	1,333,331	1,666,663	1,333,331
Purchases	72,608	–	72,608	–
Shares issued as a result of takeover of CCN	718,440	–	718,440	–
Share sales	(552,200)	(273,859)	(552,200)	(273,859)
Number at the end of the year	18,228,220	4,487,268	18,228,220	4,487,268

Post balance date, 916,670 shares issued from Directors exercising share options and 261,000 shares were sold by Directors or Director-related entities.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2002

	Economic Entity		Parent Entity	
	2002	2001	2002	2001
	\$	\$	\$	\$

30 Capital Commitments

At 30 June 2002, Cabcharge Australia Limited had no capital commitments.

31 Notes to the Cashflow

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

Profit from ordinary activities after income tax	16,096,447	12,519,962	15,329,796	12,541,941
Non-cash flows in profit from ordinary activities				
Depreciation and amortisation expense	4,479,169	3,103,844	3,467,143	3,103,844
Net (profit) or loss on disposal of property, plant and equipment	282,243	-	-	-
Changes in assets and liabilities, net of the effects of purchase of subsidiaries -				
(Increase)/Decrease in trade and other debtors	6,550,180	(6,239,307)	(208,446)	(6,239,309)
(Increase)/Decrease in inventories	(967,310)	-	-	-
Increase/(Decrease) in creditors and accruals	(5,898,501)	1,042,907	(620,178)	1,040,651
Increase/(Decrease) in provisions	994,954	178,604	(57,571)	178,604
Movement in income taxes payable	(1,872,508)	(79,933)	(2,285,275)	(79,933)
Movement in deferred tax assets	(54,565)	(23,122)	32,966	(23,122)
Movement in deferred taxes payable	5,153	107,570	(96,503)	107,570
Net cash provided by operating activities	19,615,262	10,610,525	15,561,932	10,630,246

(b) Acquisition of Business

During the year 100% of the controlled entity, CCN was acquired. A CCN subsidiary, Enterprise Speech Recognition Pty Ltd, had an outside equity interest of 38%.

Details of the transaction:

Purchase consideration satisfied by -

Non-cash transaction - issue of shares as detailed in note 19 (1 share per 4.25 CCN shares held in accordance with Cabcharge's public offer)	110,399,562
Cash payment and costs of acquisition as set out below plus: cash payment for CCN shares acquired on-market the 2001 financial year	25,798,246
	5,356,772
Total consideration	141,554,580

Cash flow from investment in CCN -

Cash payment to CCN shareholders in consideration for their shares (15 cents per CCN share in accordance with Cabcharge's public offer)	22,281,200
Costs of acquisition	3,517,046
Cash outflow	25,798,246
Less: Cash held by CCN on acquisition	(15,172,030)
Net cash payment for investment in subsidiary, CCN during the year	10,626,216

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2002

	<i>Economic Entity</i>		<i>Parent Entity</i>	
	2002	2001	2002	2001
	\$	\$	\$	\$

31 Notes to the Cashflow – continued

Net fair values of assets and liabilities at date of acquisition –

Cash	15,172,030
Receivables	14,922,544
Inventories #	646,863
Property, plant and equipment #	19,411,723
Intellectual property #	1,362,607
Prepaid fixed term taxi licences #	2,645,526
Investments	
Shares in Cabcharge (refer note 19 (c))	109,558,678
Taxi plates #	15,310,000
Others #	43,960
Payables	(9,808,766)
Interest bearing liabilities	(12,555,210)
Provisions and other	(2,536,017)
	154,173,938
Less outside equity interest	(255,000)
	153,918,938
Discount on acquisition	12,364,358

The discount on acquisition has been accounted for on consolidation by reducing proportionately the non-monetary assets acquired (marked # above) until the discount is eliminated in accordance with accounting policy note 1(d).

(c) Financial Facilities

Bank Overdraft and Loan Limits

Overdraft facility	7,000,000	6,250,000	6,250,000	6,250,000
Fixed rate loan facility	9,000,000	–	–	–
Standby facility	3,250,000	3,250,000	3,250,000	3,250,000
Total Facility	19,250,000	9,500,000	9,500,000	9,500,000
Amount unused	19,250,000	9,500,000	9,500,000	9,500,000

(d) Restricted Cash

There was no restricted cash on 30 June 2002.

(e) Lease commitments

There were no lease agreements existing on 30 June 2002.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2002

32 Financial Instruments

(a) Interest rate risk

Exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at balance date, is as follows:

	<i>Floating interest rate</i>	<i>Non-interest sensitive</i>	<i>Carrying value</i>	<i>Effective interest rate</i>
2002 year				
Financial Assets				
Cash at Bank/On Hand	–	11,835,430	11,835,430	
Money market / Deposit	27,384,316	–	27,384,316	4.25% – 6.00%
Receivables	–	49,078,401	49,078,401	
Investments	–	13,723,541	13,723,541	
	<u>27,384,316</u>	<u>74,637,372</u>	<u>102,021,688</u>	
Financial Liabilities				
Accounts payable	–	8,498,235	8,498,235	
Unsecured loans	12,379,637	–	12,379,637	5.0%
	<u>12,379,637</u>	<u>8,498,235</u>	<u>20,877,872</u>	
2001 year				
Financial Assets				
Cash at Bank/On Hand	–	4,211,663	4,211,663	
Money market / Deposit	34,335,208	–	34,335,208	4.00% – 6.25%
Receivables	–	41,504,541	41,504,541	
Other financial assets	–	8,628,427	8,628,427	
	<u>34,335,208</u>	<u>54,344,631</u>	<u>88,679,839</u>	
Financial Liabilities				
Accounts payable	–	4,388,149	4,388,149	

(b) Credit Risk Exposures

The economic entity's maximum exposures to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets as disclosed in the statement of financial position and notes to the financial statements.

The company minimised 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:

- 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.

(c) Net fair values

Valuation approach

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 valuation – directors appraisals are undertaken as necessary to reflect substantial changes affecting the net fair value of investments.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2002

32 Financial Instruments – continued

The aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date:

	2002 year		2001 year	
	Carrying amount	Net fair value	Carrying amount	Net fair value
Financial Assets				
Cash on hand/bank	11,835,430	11,835,430	4,211,663	4,211,663
Money market / deposits	27,384,316	27,384,316	34,335,208	34,335,208
Receivables	49,078,401	49,078,401	41,504,541	41,504,541
Investments	13,723,541	13,723,541	8,628,427	8,628,427
	102,021,688	102,021,688	88,679,839	88,679,839
Financial Liabilities				
Accounts payable	8,498,235	8,498,235	4,388,149	4,388,149
Unsecured loans	12,379,637	12,379,637	–	–

33 Segment reporting

Primary segments – Business Segments

	Cabcharge Taxi Charge System		Taxi Communication Network Provider		Elimination 2002	TOTAL	
	2002	2001	2002	2001		2002	2001
REVENUE							
Revenue – external	569,812,371	543,433,397	16,132,177	N/A	–	585,944,548	543,433,197
Revenue – inter group	–	–	936,223		(936,223)	–	
Interest						2,156,097	1,981,537
Total Segment	569,812,371	543,433,397	17,068,400	N/A	(936,223)	588,100,645	545,414,734
RESULTS							
Profit Before Tax	19,995,880	19,087,925	3,054,305			23,050,185	19,087,925
Income Tax	(6,035,567)	(6,567,963)	(918,171)			(6,953,738)	(6,567,963)
Net Profit	13,960,313	12,519,962	2,136,134	N/A		16,096,447	12,519,962
ASSETS							
Segment Assets	79,740,708	110,408,761	58,056,082	N/A		137,796,790	110,408,761
LIABILITIES							
Segment Liabilities	15,708,248	14,411,155	18,582,682			34,293,652	14,411,155
OTHERS							
Acquisition of Property, Plant & Equipment	336,581	4,856,227	459,598	N/A		796,179	4,856,227
Depreciation	3,217,369	2,852,817	1,011,408	N/A		4,228,777	2,852,817
Amortisation	249,775	251,027	617	N/A		250,392	251,027

Secondary reporting – Geographical Segments

The consolidated entity operates only in Australia, although through Cabcharge's investments in the UK and Asia (book value of \$2.97million) revenues are expected from 2003 financial year.

34 Contingent liabilities

The Company has no contingent liabilities.

DIRECTORS' DECLARATION

In the opinion of the Directors of Cabcharge Australia Limited:

- (a) the financial statements and notes, as set out on pages 19 to 40, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company and consolidated entity as at 30 June 2002 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Sydney this 17th day of September 2002.

Signed in accordance with a resolution of the Directors.



Neville Wran
Director



Peter Hyer
Director

INDEPENDENT AUDITORS' REPORT

to the Members of Cabcharge Australia Limited and its Controlled Entities

Scope

We have audited the financial report of Cabcharge Australia Limited for the financial year ended 30 June 2002, consisting of the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes and the Directors' declaration set out on pages 19 to 41. The financial report includes the consolidated financial statements of the consolidated entity, comprising the Company and the entities it controlled at the year's end or from time to time during the financial year. The Company's Directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements in Australia so as to present a view which is consistent with our understanding of the Company's and the consolidated entity's financial position and performance, as represented by the results of their operations and their cash flows.

Audit Opinion

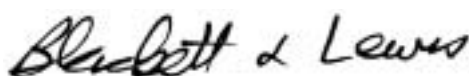
In our opinion, the financial report of Cabcharge Australia Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2002 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements.

Dated at Sydney this 17th day of September 2002.



Bryan Bird
Partner



BLACKETT & LEWIS
Chartered Accountants

Shareholdings as at 31 August 2002

a) Distribution of Shareholders numbers

<i>Range of Shareholdings</i>	<i>No of Shareholdings</i>	<i>Shares</i>	<i>(%) of Total</i>
1 – 1000	807	613,447	0.42
1001 – 5000	1,794	4,487,123	3.09
5001 – 10000	773	4,691,132	3.23
10001 – 100000	573	15,350,797	10.56
100001 and over	89	120,188,836	82.70
	4,036	145,331,335	

b) The number of Shareholdings held in less than marketable parcels is 47

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

<i>Name</i>	<i>Number of FPO shares held</i>
Taxis Combined Services Pty Limited (CCN Group)	34,237,087
RBC Global Services Australia Nominees Pty Ltd	16,615,052
J P Morgan Nominees Australia Limited	8,360,591
Silver Top Taxi Service Pty Limited	8,058,146

d) Voting rights – all shares hold the same voting rights

e) 20 Largest Shareholders – Ordinary Shares

<i>Rank</i>	<i>Name</i>	<i>Number of FPO shares held</i>	<i>% held</i>
1	Taxis Combined Services Pty Limited (CCN Group)	34,237,087	23.56
2	RBC Global Services Australia Nominees Pty Ltd	16,615,052	11.43
3	J P Morgan Nominees Australia Limited	8,360,591	5.75
4	Silver Top Taxi Service Pty Limited	8,058,146	5.54
5	Citicorp Nominees Pty Limited	4,703,862	3.24
6	Black Cabs Combined Limited	3,830,218	2.64
7	National Nominees Limited	3,636,914	2.50
8	Legion Cabs (Trading) Co-operative Society Limited	3,007,614	2.07
9	Swan Taxis Co-operative Limited	2,931,004	2.02
10	Commonwealth Custodial Services Limited	2,760,940	1.90
11	North Suburban Taxis Limited	2,300,000	1.58
12	Arrow Taxi Services Limited	1,801,824	1.24
13	Suburban Transport Services Pty Ltd	1,700,000	1.17
14	Queensland Taxi Investments Pty Ltd	1,560,288	1.07
15	AMP Life Limited	1,471,781	1.01
16	ABC Radio Taxi Co-op Limited	1,404,876	0.97
17	Reginald Lionel Kermode	1,400,000	0.96
18	Cumberland Cabs Company Pty Limited	1,320,197	0.91
19	Invia Custodian Pty Limited	1,181,577	0.81
20	MLC Limited	1,162,341	0.80
		103,444,312	71.18

Final Dividends 2002

- Record date 20 September 2002
- Dividend payment date 14 October 2002

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 Stock Exchange Listing

Cabcharge's Ordinary Shares are quoted on the Australian Stock 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 or Holder Identification 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.

CORPORATE DIRECTORY

Directors

Mr Reg Kermode - Executive Chairman AM MBE

Mr Ewaz Barukh - Finance Director

Mr Ian Armstrong

Mr Garry Bradd

Mr Neill Ford

Mr Phillip Franet

Mr Peter Hyer

Mr Donald McMichael

The Hon Neville Wran AC QC

Company Secretary

Ms Sharon Doyle

Registered Office

152-162 Riley Street
EAST SYDNEY NSW 2010

Internet Address

www.cabcharge.com.au

Auditor

Blackett & Lewis
7 Help Street
CHATSWOOD NSW 2067

Share Registry

Postal Address

ASX Perpetual Registrars Limited
Locked Bag A14
SYDNEY SOUTH NSW 1232

Delivery Address

ASX Perpetual Registrars Limited
Level 8, HSBC Tower
580 George Street
SYDNEY NSW 2000





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