Appendix 4E
Silver Chef Limited
Preliminary Final Report
FINANCIAL YEAR ENDED 30 JUNE 2013

1 Details of the reporting period and the previous corresponding period

Current period: 1 July 2012 to 30 June 2013
Previous corresponding period: 1 July 2011 to 30 June 2012

2 Results for announcement to the market

		Year ended 30 June 2013 $'000	Year ended 30 June 2012 $'000	Change from previous corresponding period $'000	Change from previous corresponding period %
2.1	Total revenue	114,374	84,213	30,161	35.8%
2.2	Profit from ordinary activities after tax	11,449	8,991	2,458	27.3%
2.3	Net profit attributable to members	11,449	8,991	2,458	27.3%

2.4	**Dividends per ordinary shares**	**Amount per security**	**Franked amount per security**
	Interim 2013	14.0 cents	100%
	Final 2013 (declared, not yet provided at 30 June 2013) payable on 30 September 2013	14.5 cents	100%

2.5 Record date for determining entitlements to the final dividend 16 September 2013

2.6 Brief explanation of revenue, net profit and dividends
Refer to the 2013 annual report

3 Statement of comprehensive income
Refer to the 2013 annual report

4 Statement of financial position
Refer to the 2013 annual report

5 Statement of cash flows
Refer to the 2013 annual report

6 Statement of changes in equity
Refer to the 2013 annual report

7	**Details of dividend payments**	**Amount per security**	**Total amount paid $'000**	**Date of payment**
	Year ended 30 June 2013			
	Interim 2013	14.0 cents	3,811	28 March 2013
	Final 2012	14.5 cents	3,893	28 September 2012

8 Dividend or distribution plan details
The Company's Dividend Reinvestment Plan will be reintroduced effective for the dividend payment on 30 September 2013.

9	**Net tangible assets per security**	**Year ended 30 June 2013 (cents)**	**Year ended 30 June 2012 (cents)**
	Ordinary shares	213	165

10 Details of entities over which control has been gained or lost during the period
There was no control gained or lost over entities during the financial year.

		Year ended 30 June 2013	Year ended 30 June 2012
11	**Investment in associates and joint venture entities**		
	Medical Technology Financing Pty Ltd	-	50%

12 Other significant information
Refer to the 2013 annual report

13 Foreign entities, applicable accounting standards used
Refer to the 2013 annual report

14 Commentary on the results for the financial year
Refer to the 2013 annual report

15 Statement as to whether the report has been audited
The report is based on accounts which have been audited.

16 Statement if the financial report is not audited
Not applicable as the financial report has been audited.

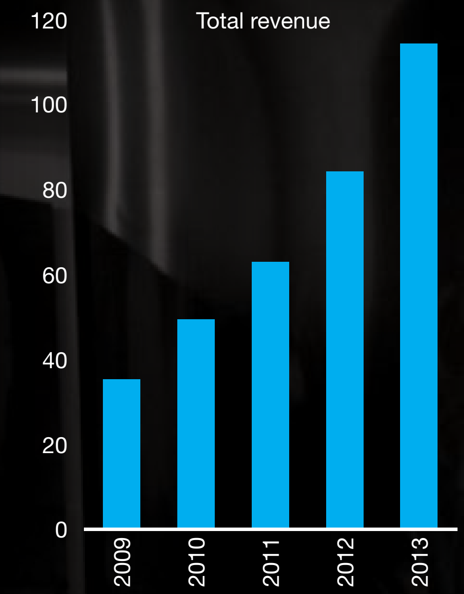
17 Statement if the financial report is audited
The financial report has been audited and is not subject to disputes or qualifications.

Annual Report 2013

silverchef group®

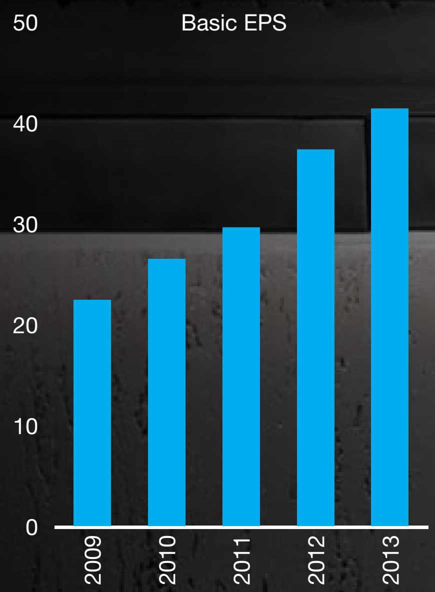
silverchef
hospitality equipment funding
your recipe for success

gogetta
equipment funding
equipped to succeed



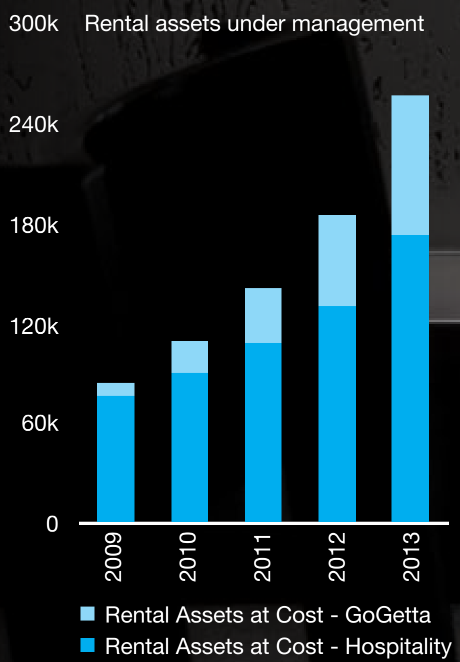
Revenue
$114.4m
36%

Net profit after tax
$11.5m
27%



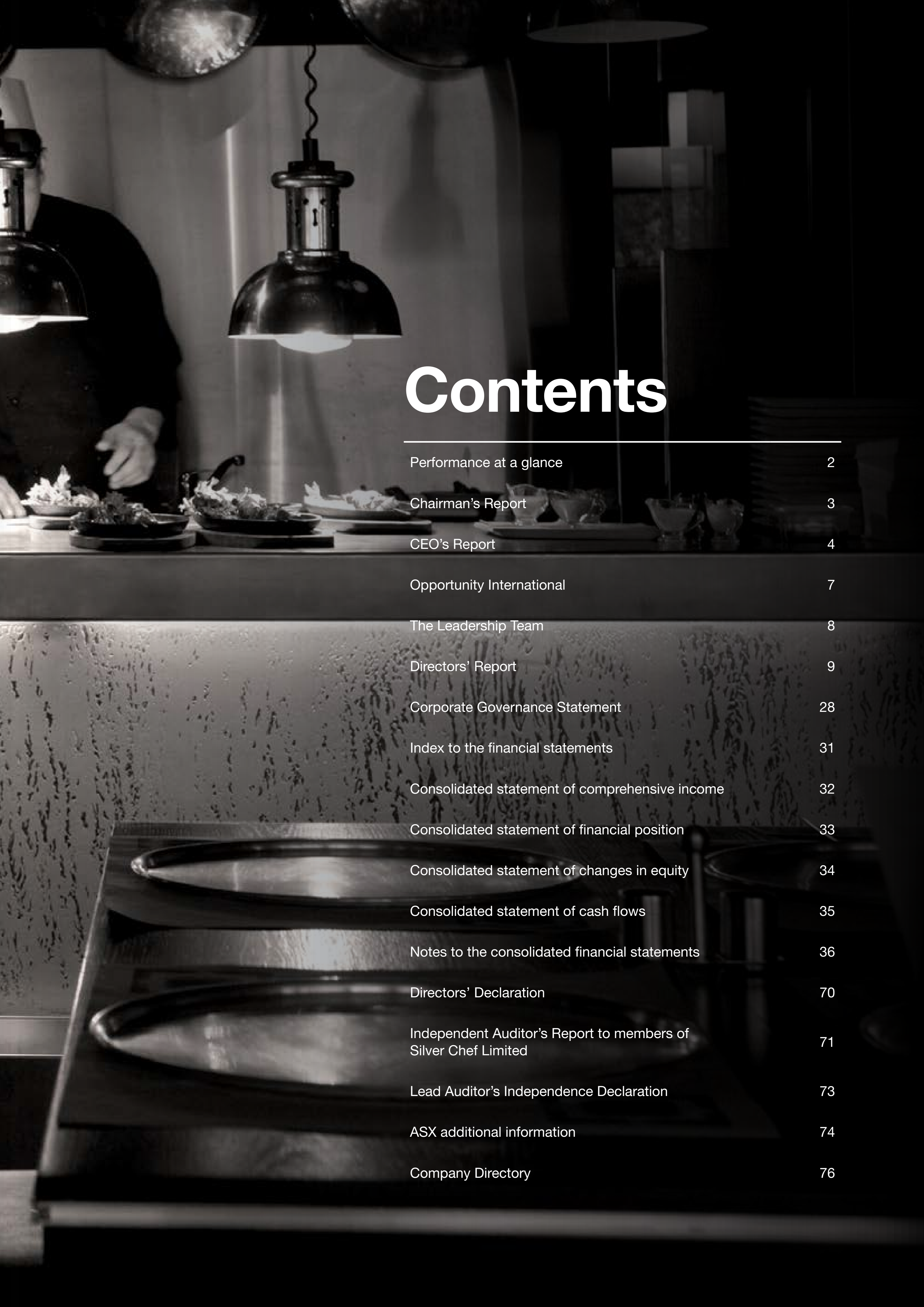
Basic EPS
41.5 cps
11%

Dividend per share
28.5 cps
19%



Hospitality rental assets at cost
$173.4m
33%

GoGetta rental assets at cost
$84.0m
53%



Contents

Performance at a glance

	2013 $000's	2012 $000's	2011 $000's	2010 $000's
Hospitality rental income	76,621	60,112	49,244	42,018
GoGetta rental income	37,527	23,916	13,485	7,061
Total rental income	**114,148**	**84,028**	**62,729**	**49,079**
Total revenue	114,374	84,213	62,929	49,352
Depreciation and amortisation expense	(49,234)	(34,773)	(26,679)	(21,696)
Expenses from ordinary activities	(41,591)	(31,004)	(22,028)	(16,597)
Borrowing costs	(6,817)	(5,027)	(4,204)	(2,994)
Change in fair value of property	(151)	(325)	(303)	(560)
Profit before income tax expense	16,581	13,084	9,715	7,505
Income tax expense	(5,132)	(4,093)	(3,024)	(2,289)
Profit for the year	**11,449**	**8,991**	**6,691**	**5,216**

Selected Financial Items	**$000's**	**$000's**	**$000's**	**$000's**
Net cash flows from operating activities	75,344	56,394	43,476	35,251
Total assets	189,998	142,199	106,672	85,849
Basic Earnings per share	41.5 cents	37.4 cents	29.7 cents	26.6 cents
Dividends per share	26.5 cents	24.0 cents	20.0 cents	18.0 cents
Return on average assets	13.8%	14.6%	14.5%	13.5%
Return on average equity	22.1%	23.6%	24.1%	26.4%

Return on average equity
22.1%
FY12 23.6%

Return on average assets
13.8%
FY12 14.6%

EBIT/Total revenue
20.0%
FY12 21.5%

Chairman's Report

I am pleased to report that Silver Chef has achieved another year of strategic and financial success. We have maintained our strong reputation with customers and continue to enhance and develop relationships with our partners.

The Silver Chef and GoGetta brands continue to expand into new markets with great success and our staff continue to meet and exceed our expectations for performance and commitment.

These factors provided the foundation for another year of solid financial results. The highlights for the year included:

- Asset acquisitions up 35% to $125.3 million
- Revenue up 36% to $114.4 million
- Rental assets (at cost) up 39% to $257.4 million
- EBIT up 26% to $22.9 million
- Profit (after tax) up 27% to $11.5 million
- Earnings per share (EPS) up 11% to 41.5 cents
- Equity up 29% to $58.2 million

The strong financial position of the Company underpins the Board's decision to declare a final fully franked dividend of 14.5 cents per share. The dividend, which will be paid on 30 September, 2013, takes the full year's dividends to 28.5 cents, an increase of 19% on the previous year.

At an operational level the business has again met expectations. Growth in the Hospitality (Silver Chef) division was enhanced by the Company's decision to expand into New Zealand as well as into some new sectors of the Australian market in which it had not previously operated. Five years since it was first established the GoGetta brand continues to build with a 53% increase in rental assets to $84 million. While acquisition growth slowed to a more moderate level of 32%, compared to 54% in the previous year, we are confident in the future potential of this brand.

Board

The were no changes to the Board composition, Karen Penrose was appointed as Deputy Chairman in March 2013. Karen joined the Board of Silver Chef in September 2011 and in August 2012 was appointed the Chairman of the Audit & Risk Management Committee. She is also a member of the Finance Committee and the Remuneration Committee.

English Family Foundation

During the year I executed the transfer of a further one million shares in Silver Chef from my personal holdings in the Company to the English Family Foundation. The transfer took the total number of shares transferred to the Foundation to 4.5 million. No further transfers from my personal holdings to the Foundation have been planned.

The Foundation has previously advised that apart from the divestment of small parcels of shares from time to time to fund charitable works, it will maintain ownership of the 4.5 million shares for the immediate future. Dividends and any other distributions associated with the shares will be used for charitable purposes.

Outlook

While we can be proud of our performance over the last year our focus is firmly on the future. We are now in our 27th year of successful operation and remain motivated by the opportunity to continue building Silver Chef. We have the right people, the right product and the right strategy to achieve the goals we have set ourselves. I look forward to being part of the journey.

I would like to thank our CEO Charles Gregory, the rest of the Leadership Team and all the staff of Silver Chef for their contribution over the last year. My thanks also to my fellow Board members for their ongoing assistance in guiding the Company.

Allan English
Chairman
26 August 2013

CEO's Report

Silver Chef continues to make solid progress towards achieving the strategic goals we have set for the business in the short, medium and long term.

The Company's results and continued growth in the year ended 30 June, 2013 (FY13), provide strong evidence that the strategy we have adopted is creating sustainable and profitable growth.

The year under review has provided a number of highlights for which the Board, management and staff can be extremely proud.

Highlights include:

- A 27% increase in profit (after tax) to $11.5 million with revenue increasing 36% to $114.4 million, compared to $84.2 million in the year ended 30 June, 2012 (FY12). Earnings per share (EPS) increased 11% to 41.5 cents.
- Total assets under management increasing 39% to $257.4 million with both brands (Hospitality and GoGetta) delivering acquisition growth in excess of 30%.
- Delivering strong returns for shareholders with a 19% increase in full year dividends to 28.5 cents per share and return on average equity (ROE) of 22% and return on average assets (ROA) of 13.8%.
- Continued success in growing into new geographic markets (New Zealand) and new sub-sectors within the food retailing sector, most notably food outlets in the franchise sectors and the Pubs and Clubs market.
- Maintaining a strong, positive workplace culture and continued enhancement of our reputation as one of Australia's best places to work.

The business model

The Company has two brands which operate as separate divisions, Hospitality (Silver Chef) which provides funding to business in the hospitality sector and GoGetta, which provides equipment funding to small to medium sized businesses across a range of sectors. Both divisions offer a tried and tested equipment funding solution through the Rent.Try.Buy and Rent.Grow.Own. solutions.

The success of Silver Chef has been built around a number of factors which provide us with clear competitive advantages:

- Experience – the Company has been providing its core business equipment funding model for more than 26 years with founder Allan English still involved with the Company as Chairman and substantial shareholder.
- Customers – we have a robust rental based equipment funding model for business critical assets that is well suited to the needs of small business.
- People – we have a strong focus on acquiring and developing high quality staff with a strong personal commitment to building value for shareholders.
- Risk Management – our highly developed credit and asset management processes manage risks associated with customer defaults.
- Partnerships – we have established strong partnerships within the hospitality and equipment industries and continue to develop new partnerships as we grow.

Hospitality (Silver Chef)

The Hospitality division continues to perform strongly with the full impact of our strategic expansion into new markets beginning to deliver results. The decision to proactively target franchise brands in the fast food and café sectors as well as an expansion into New Zealand has created two new growth platforms which we believe will continue to provide good returns well into the future. The financial year also saw the Company launch a campaign targeting the Pubs and Clubs industry sector. We are optimistic this new market will provide substantial opportunity over the next few years.

Financially, the Hospitality division performed exceptionally well with overall acquisitions increasing 37% ($20 million) to $76.7 million. Rental assets increased 33% to $173.4 million.

CEO's Report

GoGetta

FY13 marked the fifth full year of operation for the GoGetta division. It is now a significant contributor to the overall performance of the Company and represents 33% of overall rental assets (at cost), compared to 31% in FY12.

While the brand continued to grow strongly in FY13, with acquisition growth of 32%, this was below historic levels. Initiatives to sustain growth levels are being implemented with the purpose of delivering growth in the future at levels similar to those being delivered by the Hospitality division.

Margins

While highly desirable, rapid growth comes with challenges evident in a small decline in EBIT margin from 21.5% in FY12 to 20.5% in FY13. Primarily this is a result of reaching capacity limitations in our residual asset management processes. The Company expects this pressure to be alleviated in the current year when a second warehousing facility is opened in Melbourne to service southern Australian markets.

Margins were also impacted by the growth of the GoGetta division where assets are generally depreciated at a faster rate than assets in the Hospitality division.

Sales and marketing costs also increased to support an increasingly mature domestic position in the Hospitality division.

Risk Management

Managing risks associated with credit and financial exposure to clients as well as residual asset risk remains one of our highest priorities.

The highly developed risk management processes we have in place ensured bad debts as a percentage of revenue remained low.

Other features of our risk management program include:

- A highly diversified client base with more than 18,000 rental agreements in place and low concentration risk with our largest client representing less than 1.0% of our rental income;
- Spreading exposure to an increasingly diverse range of industries (GoGetta customers represent 20 different industry sectors) which limits the impact if one of these sectors experiences difficulty; and
- Strong utilisation of assets in customers' businesses earning Silver Chef an income.

As highlighted earlier the Company has experienced some challenges in dealing with the processing of residual assets but are making the necessary investments in improving capacity.

Funding

Access to capital to acquire assets to rent to customers is a fundamental component of our business.

In FY13 the Company acquired $125.3 million worth of rental assets of which 73% ($91.8 million) was funded from internally generated cash flows and the balance was funded from debt and equity. As at 30 June 2013, 49% of the Company's total assets were funded by debt.

The Company has historically funded approximately 30% of total assets with equity. To ensure this ratio was maintained the Company undertook a $5 million Placement and a $3 million Share Purchase Plan. All shares were issued at $5.20.

The Company understands the need to have access to a diverse range of funding sources and in FY13 we expanded the portfolio to include $30 million of unsecured fixed rate notes. The notes complement the Company's existing primary debt of $110 million. As at 30 June 2013, this debt facility was drawn to $60.6 million.

People, culture and core values

People, culture and core values continue to be a cornerstone of Silver Chef's success. Our commitment to continually improving in these areas has been a significant part of our success and is deeply ingrained through the Company.

We have a clearly defined set of core values which guide our staff in making everyday decisions. These values are Teamwork, Attitude, Wellbeing, Respect, Integrity, Flexibility and Communication.

These core values underpin the Company's culture, and the ultimate success of the business by creating engaged, motivated and happy employees. We continued to win plaudits for our workplace culture in FY13. For the fourth successive year the Company was listed in the BRW Great Place to Work list. Additionally, Silver Chef this year was accredited as an Aon Hewitt Best Employer. The Aon Hewitt Best Employer accreditation program compares Silver Chef with other high performing businesses in employee engagement and requires the Company to satisfy certain criteria. Accreditation under this program represents a significant accomplishment and demonstrates that Silver Chef has consistently achieved excellence in engaging and supporting its workforce.

The focus on building and maintaining a positive culture was supported by a range of initiatives during the year, including:

- Enhanced training and development programs;
- Reinvigorating engagement with Opportunity International through setting internal targets and direct staff engagement; and
- Sharing in the success through shareholding and performance based pay.

Strategy

The financial year under review was the third year of our comprehensive 10 year strategy designed to take us through to 2020. The strategy, which was developed using the Argenti System, highlights a number of key platforms where we must deliver in FY14 if we are to achieve our five and 10 year goals.

CEO's Report

Our strategic focus in FY14 will be on the following elements:

- Growth - Focus on delivering Asset Acquisition Growth to sustain 10% to 20% EPS growth for shareholders.
- Resources (People) - A focus on attracting and retaining high quality staff to execute the strategy.
- Systems and Processes - Having the systems (IT) and processes in place to support execution of the business strategy.
- Customer Experience - Delivering a good customer experience as our primary competitive advantage.
- Funding - Focus on ensuring that the Company has access to sufficient funding, in an appropriate debt / equity mix to support growth.
- Customer Solutions - Deliver new and innovative solutions to our customers.

I would like to take this opportunity to thank the Leadership Team and all the staff at Silver Chef for their continued efforts throughout the year. Our recent success, including continued profit growth and increase in share price, is in large part due to their commitment. I would also like to thank the Board for their support and guidance through the year.

Finally, thank you to our shareholders. Hopefully, the result has again met your expectations. We look forward to many more years of success.

Charles Gregory
Chief Executive Officer
26 August 2013

Opportunity International

Silver Chef's corporate social responsibility is partly fulfilled through the Company's association with Opportunity International Australia.

The Company and its people support Opportunity directly and indirectly, indirectly through the provision of office space and communication services and directly through numerous fundraising and awareness enhancing initiatives.

Allan English, Silver Chef Limited's Non-executive Chairman, through his personal participation and that of the English Family Foundation (which is now a substantial shareholder in the Company), is a major supporter of Opportunity.

Being a responsible corporate citizen is far more important at Silver Chef than fulfilling a corporate compliance requirement. Opportunity provides micro financing in developing countries to the poorest of the poor, predominantly women. Silver Chef on the other hand provides equipment funding to small business operators across many sectors in Australia and New Zealand. Silver Chef and Opportunity are aligned in purpose and share many values. Silver Chef's success, in part, benefits Opportunity and in turn Opportunity provides Silver Chef with a sense of purpose far greater than just a corporate purpose. This purpose is an essential component of Silver Chef's success and in turn provides our people with a purpose to achieve what they do.

Opportunity is a non-profit organisation that uses a sustainable approach to solve the problem of poverty. Rather than a hand-out, they provide people living in poverty with a small loan (microfinance) to help them start or grow their own small business. This enables them to earn a regular income so they no longer have to struggle to afford food, clean water, proper shelter or an education for their children.

With more than 40 years' experience working with the poor, Opportunity International Australia is a leading provider and pioneer of socially focused microfinance and support services. Part of the global Opportunity International Network (with support partners in the United States, United Kingdom, Canada, Singapore, Hong Kong and Germany), they are currently providing a way out of poverty for millions of people in more than 20 developing countries around the world.

For more information, please visit www.opportunity.org.au

The Leadership Team

The Leadership Team comprises the following members:

Charles Gregory

Age 41 (Chief Executive Officer)

Has been with Silver Chef since July 2008 at which time he was appointed Chief Operating Officer until his promotion to his current role in July 2010.

Charles is responsible to the Board for the operations of Silver Chef and developing and implementing strategic initiatives for the Company. For statutory reporting purposes he is a member of key management personnel.

He brings extensive experience to Silver Chef Limited having held senior roles at Flight Centre Limited.

David Wilson

Age 44 (Chief Financial Officer)

Has been employed at Silver Chef for five years and assumed the CFO role in October 2011 after holding the position of Financial Controller since 2008. He is a member of CPA Australia and has held finance positions in private and Government owned corporations.

For statutory reporting purposes, David is a member of key management personnel.

Sylvia Po-Ching

Age 37 (General Manager – People)

Has been employed at Silver Chef for 14 years and has principal responsibilities for Human Resources, Customer Service and Quality Assurance. During 2012 she played a pivotal role in establishing operations in New Zealand.

Damien Guivarra

Age 39 (National Sales Manager – Hospitality, and General Manager Repatriation and Distribution)

Damien's appointment to this role was effective from July 2011. He has developed and implemented a broader business plan for the Hospitality division.

At Silver Chef since 2005, Damien was previously our General Manager-Marketing.

Kelvin Marks

Age 43 (National Sales Manager – GoGetta)

Prior to his current appointment, Kelvin held Regional Sales Manager positions within both Silver Chef & GoGetta over the past seven years. In 2009/2010, as GoGetta's Queensland Regional Sales Manager, Kelvin achieved the highest sales budget ever recorded in Silver Chef's then 24-year history. Kelvin is responsible for the growth and direction of the GoGetta division. Prior to joining Silver Chef, Kelvin had extensive sales and management experience within the commercial equipment and consumer markets.

Kerrie Walker

Age 38 (General Manager – Marketing)

Appointed in August 2011, Kerrie has held senior marketing roles in TABCORP, The Daily Mail Group and Telstra. She brings a range of experience gained in domestic and international markets across consumer and business segments.

Simone Smith-Henry

Age 39 (Project Manager)

At Silver Chef since 2007, Simone is a PRINCE2 certified Project Manager and is responsible for leading all major projects at Silver Chef. Simone has managed several projects for Silver Chef, including the successful fit-out and relocation to the new Head Office premises at West End.

Mike De Gruyter

Age 54 (Chief Information Officer)

Appointed in February 2013, Mike who had previously worked for Silver Chef between 2005 and 2011 in a number of management roles before taking a leave of absence, re-joined the Leadership Team as CIO to further develop and execute on the Group's IT strategy.

Directors' Report

The Directors present their report together with the consolidated financial statements of the Group comprising of Silver Chef Limited ("the Company") and its controlled entities, for the year ended 30 June 2013 and the auditor's report thereon.

1. Directors

Name and qualifications	Experience, special responsibilities and other Directorships
Allan English **Age 58** **Non-executive Chairman**	The founder of Silver Chef Limited, Allan has had extensive experience in the hospitality and rental industry with over 30 years in the equipment sales, service and rental sectors. Allan was the Managing Director from 1986 to June 2010 after which he was appointed Non-executive Chairman. He also is active in the not for profit sector and acts as a Director for Karuna Hospice Pty Ltd, English Family Foundation and the School of Social Entrepreneurs, an Australian organisation which runs practical learning programs for entrepreneurial individuals who have an idea or a start-up venture with a social or environmental benefit.
Karen Penrose **Age 53** **B.Comm, CPA** **Deputy Chairman**	Appointed an independent Director in September 2011 and Deputy Chair in March 2013. Karen Penrose's career spans 20 years in banking and the most recent 7 years in ASX listed companies in CFO and COO roles. Karen is currently with Wilson HTM Investment Group Ltd. Prior to that her banking experience has been with Commonwealth Bank and HSBC and her corporate roles have been with Keybridge Capital Limited, Leighton Holdings Limited and Esso Australia Limited. Karen is currently Chairman of the Audit and Risk Management Committee and a member of the Finance and Remuneration Committees.
Andrew Kemp **Age 61** **B.Comm, CA**	Appointed a Director and Chairman in February 2005 and resigned as Chairman on 30 June 2010. Andrew heads the Huntington Group Pty Limited, a Brisbane-based corporate advisory company. His experience includes chartered accounting with KPMG and Littlewoods, merchant banking and corporate advisory services with AIFC (an affiliate of ANZ Banking Group) and, since 1987, with Huntington Group. He is currently a director of the following ASX listed companies: PTB Group Limited (appointed August 2006) and G8 Education Limited (appointed March 2011). Formerly a director of Eureka Group Holdings Limited from March 2004 until February 2011 and Trojan Equity Limited from March 2005 until March 2013. Andrew is currently an independent non-executive director, Chairman of the Finance Committee and Remuneration Committee and a member of the Audit and Risk Management Committee.
Bede King **Age 57** **F Fin.**	Appointed a Director in March 2005. Bede King is the senior partner at Tobin King Lateef, Solicitors & Notaries. Bede is a Trustee of the Board of Trustees of the State Public Sector Superannuation Scheme (QSuper) and is a director of QSuper Limited. Bede is a fellow of the Financial Services Institute of Australia, a Director of several non-listed companies and a member of various compliance committees for property, mortgage and equity funds. He is the former National Chairman of YHA Australia, having occupied that position for over 10 years. He is currently a Board Member of St. Aidan's Foundation Limited and Synapse (formerly The Brain Injury Association of Queensland) both not-for-profit organisations. Bede is currently an independent non-executive director and member of the Audit and Risk Management Committee and Remuneration Committee.

Directors' Report cont.

Sophie Mitchell
Age 46
B Econ, GAICD,
SF Fin.

Appointed a Director in September 2011. Sophie Mitchell's career has been in the financial sector and she is currently a Director of RBS Morgans. Previous roles have included Head of Research and senior analyst with RBS Morgans' predecessor company ABN AMRO Morgans, Portfolio Manager for Seymour Wealth Management and Associate Director in the Investment Banking Division of CS First Boston. Sophie is a Member of the Takeovers Panel and the Australia Council, a Director (previously Chairman) of Expressions Dance Company, the RBS Morgans Foundation, MTQ Insurance Limited and of ASX-listed Hyperion Flagship Investment Limited (appointed 2008), and a Trustee of the Queensland Performing Arts Trust. Sophie is currently an independent non-executive director and member of the Finance Committee and Remuneration Committee.

2. Company Secretary

Don Mackenzie
Age 68

Don commenced his association with Silver Chef in March 2005 and at that time was appointed Chairman of the Audit & Risk Management Committee and then resigned in August 2012. He was also appointed an alternate director for Allan English, Andrew Kemp and Bede King in October 2005. In November 2010 he was appointed Company Secretary of Silver Chef. He commenced his professional career with Chartered Accounting firms, and in 1976 he commenced employment in a senior accounting role with a Queensland based listed public company. In 1993 he commenced practice as a Chartered Accountant until 2008 providing corporate services predominantly to public companies. In addition to his part time role at Silver Chef, he currently holds Director and Company Secretarial positions with other public companies and is a Director of Aveo Healthcare Limited (formerly Forest Place Group Limited) and was appointed in March 2004).

3. Directors' meetings

The number of Directors' meetings (including meetings of Committees) and number of meetings attended during the financial year are:

Director	Board meetings		Audit and risk management committee meetings		Remuneration committee meetings		Finance committee meetings	
	A	B	A	B	A	B	A	B
Allan English	15	15	-	-	-	-	-	-
Andrew Kemp	15	15	4	4	1	1	2	2
Bede King	15	15	4	4	1	1	-	-
Sophie Mitchell	15	15	-	-	1	1	2	2
Karen Penrose	15	15	4	4	-	-	2	2

A – number of meetings attended   B – number of meetings held during the time the Director held office during the year

4. Corporate governance statement

This statement outlines the main corporate governance practices in place throughout the financial year, which comply with the ASX Corporate Governance Council (Recommendations), unless otherwise stated.

4.1 Board of Directors

Role of the Board

The Board Charter outlines the roles and responsibilities of the Board. Key responsibilities in summary include:

- determining Silver Chef's strategic direction;
- evaluating Board performance and determining Board size and composition;
- appointing and determining the duration, remuneration and other terms of appointment of the CEO;
- evaluating the performance of the CEO;
- establishing goals for management and monitoring the achievement of these goals;
- reviewing and approving the Group's Business Plan;
- approving all significant business transactions including acquisitions and divestments;
- monitoring business risk exposures and risk management systems;
- approving and monitoring financial and other external reporting;
- approving changes to the Group's capital structure;
- reporting to shareholders; and
- promoting ethical conduct.

Delegated authority

The Constitution and the Board Charter enable the Board to delegate their responsibilities to Committees and management.

The roles and responsibilities delegated to Board Committees are captured in the Charters of each established committee which includes the Audit and Risk Management Committee, Remuneration Committee and Finance Committee with a summary of the activities of each included in this report.

The Board has also delegated to the CEO, who is responsible for the day to day management of the business and includes:

- strategy – implementing corporate strategies and making recommendations on significant strategic initiatives;
- senior management selection – the appointment of senior management, determining their terms of appointment, evaluating performance and maintaining succession plans for senior management roles;
- financial performance – developing the annual budget and managing day to day operations within the budget;
- risk management – maintaining effective risk management frameworks;
- continuous disclosure – keeping the Board fully informed about material developments to enable the Company to keep the market informed; and
- corporate responsibility – including compliance with social, ethical and environmental practices.

Board meetings

Meetings are normally held monthly but will number not less than 10 in any year, with meeting papers being circulated prior to the meeting. Minutes of meetings are circulated within 10 days of the Board meeting.

The Company's Non-executive directors receive only fees for their services and the reimbursement of reasonable expenses. The fees are competitively set to attract and retain appropriately qualified and experienced directors.

The directors' fees available to non-executive directors have been set at a maximum of $250,000 per annum.

Skills and independence

The Board ensures, in the selection and appointment of proposed Board members, that a diverse range of candidates are considered and involve professional intermediaries to identify and/or assess candidates.

Together, the Board members have a broad range of relevant financial and other skills and knowledge combined with the extensive experience necessary to guide Silver Chef's business. Details of their skills and knowledge are set out in section 1 above.

The Board assesses the independence of Directors on appointment and at least annually. Each Director provides an annual attestation of their interests and independence. Directors are considered independent if they are independent of management and free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the exercise of unfettered and independent judgment.

At the date of this annual report all non-executive directors are considered to be independent except for Allan English (founder) who is not regarded as being independent according to the ASX Principles.

Education

On appointment, Directors are offered an induction program appropriate to their experience to familiarise them with the business, strategy and any current issues before the Board. The Company also promotes continuing education.

Access to information and advice

With the prior approval of the Chairman, which may not be unreasonably withheld or delayed, each Director has the right to seek independent legal and other professional advice concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as Directors. Any costs incurred are to be borne by the Company.

Composition of the Board

The Company's Constitution provides that the number of Directors shall not be less than three or more than ten and currently there are five Directors on the Board. An alternate Director has been appointed for Messrs English, Kemp and King.

Silver Chef's Constitution states that at each Annual General Meeting one third of the Directors and any other Director who has held office for three or more years since their last election, must retire.

The Board is empowered to establish committees of the Board to support it carry out its function effectively and where practical, will comprise Board members.

4.2 Remuneration committee

On behalf of the Board, the Remuneration Committee (Committee) oversees the remuneration of non-executive directors and key management personnel. The Committee is a committee of the Board and has no authority independent of the function delegated to it by the Board, and is to report its findings and recommendations to the Board.

The Committee's Charter can be viewed or downloaded from the Silver Chef website. The Charter states that the Committee is to comprise at least three non-executive directors. The Committee members are currently Andrew Kemp, Bede King, Sophie Mitchell and Karen Penrose. The Company Secretary serves as Secretary to the Committee.

The CEO attends all Committee meetings except at times where his own arrangements are considered.

In addition to matters dealing with remuneration, the Committee has a broader role and is responsible for diversity and succession planning.

External advisors

In performing its role, the Board and the Committee directly commission and receive information, advice and recommendations from independent external advisors to ensure the appropriateness of remuneration packages and contracts of employment for the key management personnel so as to reflect trends in employment markets and to achieve the objectives of the Group's remuneration strategy.

4.3 Remuneration report - audited

This Remuneration Report sets out the remuneration information pertaining to the Company's Directors and Senior Executives who comprise the key management personnel of the consolidated entity for the year ended 30 June 2013.

Non-executive directors

Allan English - Chairman

Andrew Kemp

Karen Penrose - Deputy Chairman

Bede King

Sophie Mitchell

Don Mackenzie - Alternate Director and Company Secretary

Senior Executives

Charles Gregory - Chief Executive Officer

David Wilson - Chief Financial Officer

(a) Principles of compensation

Key management personnel (who comprise the Directors and senior executives for the Group) have the authority and responsibility for planning, directing and controlling the activities of the Group.

Remuneration levels for key management personnel of the Group are competitively set to attract and retain appropriately qualified and experienced Directors and senior executives. The remuneration structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives and achieve the broader outcome of creation of value for shareholders. The remuneration structures take into account:

- the capability and experience of the key management personnel; and
- the key management personnel's ability to control the Group's performance including:

  > the Group's profit before tax; and

  > the growth in earnings per share.

Remuneration packages include a mix of fixed and variable remuneration and short-term and long-term performance-based incentives.

Fixed remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any fringe benefit tax charges related to employee benefits including motor vehicles) as well as employer contributions to superannuation funds.

Remuneration levels are reviewed annually by the Remuneration Committee through a process that considers individual, segment and overall performance of the Group. In addition, external consultants provide analysis and advice to ensure the Directors' and senior executives' remuneration is competitive in the market place. A senior executive's remuneration is also reviewed on promotion.

Performance linked remuneration

Performance linked remuneration includes both short-term and long-term incentives and is designed to reward executives for meeting or exceeding their financial and personal objectives. The short-term incentive (STI) is an 'at risk' bonus provided in the form of cash; the long-term incentive (LTI) is also provided in the form of cash.

Short-term incentive bonus

Each year the Remuneration Committee reviews key performance indicators (KPIs) for the executives. The KPIs generally include measures relating to the Group, the relevant segment and the individual and include financial, people, customer, strategy and risk measures.

The measures chosen align the individual's reward to the KPIs of the Group and to its strategy and performance.

The financial performance objectives are 'profit before tax' compared to budgeted amounts. The non-financial objectives vary with position and responsibility and include measures such as achieving strategic outcomes, safety and environmental performance, customer satisfaction and staff development.

Also included in the short-term incentive is the annual payment of approximately half of any bonus earned under the long-term incentive scheme.

Long-term incentive

This incentive scheme is based on growth in earnings per share (EPS). For senior executives to obtain benefit from this scheme, earnings per share growth must exceed 10% per annum. Part of any benefit earned is payable each year after holding back a retention amount with the balance being earned and paid based on compound growth in EPS over a four year period. The level of bonus increases in steps between the minimum at 10% per annum and a maximum of 21% EPS growth.

The Remuneration Committee recommends the cash incentive to be paid to the individuals for approval by the Board. The method of assessment was chosen as it provides the Committee with an objective assessment of the individual's performance.

Share based incentive

A share based incentive scheme exists for all eligible employees of the Group where employees are gifted shares each year in Silver Chef subject to meeting profit targets set by the Board for the relevant year. In the FY13 year, the value of the shares gifted was $500 (FY12: $1,000).

Shares issued under the incentive scheme are allotted for a price equal to the closing price of shares on ASX on the trading day prior to issue. The number of shares issued will be rounded down to the nearest whole number.

Offers (to the extent the Board decides to make them) are made following the announcement of the full year financial results to the ASX.

All full-time and permanent part-time employees who are employed by Silver Chef or its subsidiaries at the date set by the Board in respect of each Offer may participate in the Plan.

Short-term and long-term incentive structure

The Remuneration Committee considers that the above performance-linked remuneration structure is generating the desired outcome. The evidence for this is the growth in profits and earnings per share over a five year period. In the current year the Group exceeded its targets, with each segment meeting budgeted results.

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Board has regard to the following data in respect of the current financial year and the previous four financial years.

	2013	2012	2011	2010	2009
Profit for the year $'000	11,449	8,991	6,691	5,216	3,592
Basic earnings per share (EPS) (cents)	41.5	37.4	29.7	26.6	22.5
Dividends paid $'000	7,704	4,763	4,207	3,295	1,779
Closing share price at year end	$7.38	$3.33	$3.46	$2.27	$0.95

Profit is considered as one of the financial performance targets in setting short-term incentives with the overall level of senior executives' compensation being aligned to the financial performance of the Group.

Employment contract – Chief Executive Officer

Charles Gregory (appointed 1 July 2010) entered into a contract of employment with the Company from that date with the principal terms including remuneration comprising a fixed annual salary of $175,000, inclusive of any obligations under the superannuation guarantee legislation; a fully maintained motor vehicle and a conditional cash bonus equal to 100% of the fixed annual salary amount. The bonus components include the achievement of specific performance measures set by the Board for key performance indicators including customer satisfaction, sales and net profit achievement, project management and adherence to credit management targets. In addition to these terms, the contract term is ongoing at the discretion of the Board and has a notice period of 12 months.

In accordance with the provisions of the contract of employment the following events take place:

- the Company will review, on an annual basis, the fixed annual salary and the conditional cash bonus according to appropriate measures, but as a minimum, an increase to the remuneration equal to the Consumer Price Index will be granted annually; and
- at the anniversary after two consecutive years of employment as CEO (and which commenced on 1 July 2010) the CEO may request the Company undertake, using an external remuneration consultant, a market review of the fixed annual salary and conditional cash bonus amounts and where appropriate adjust the fixed annual salary and the conditional cash bonus to a point equal to the top of the third quartile of the wage band proposed by the remuneration consultant, and
- the Remuneration Committee engaged CRA Plan Managers Pty Limited in the prior year, as remuneration consultant, to provide the market review for the period commencing 1 July 2012.

Arising from this review. Mr Gregory's salary was increased to a fixed annual salary of $198,000, inclusive of any obligations under the superannuation guarantee legislation; a fully maintained motor vehicle and a conditional cash bonus equal to 100% of the fixed annual salary amount, which reflected the level established in the market review. In November 2011, in addition to his original terms of employment, the CEO accepted the Company's offer to participate in its Long Term Incentive Plan.

Employment contract – Chief Financial Officer

The other senior executive has a service agreement which is capable of termination within three months, and in the event of termination or resignation, he is entitled to any statutory entitlements to annual leave and long service leave, if applicable.

Non-executive Directors

Total remuneration for Non-executive Directors has been set at a maximum of $250,000, which was approved at the Annual General Meeting held on 18 November 2010.

Directors' fees cover all Board activities including attendance at committee meetings of the Board.

Remuneration of key management personnel

Details of the nature and amount of each major element of remuneration for each of the key management personnel are:

		Short-term			Long-term		Post-employment		Shared based			
In dollars		**Salary & fees**	**Non-monetary benefits**	**STI cash bonus**	**Long service leave**	**LTI cash bonus**	**Superannuation**	**Termination benefits**	**Options and rights**	**Total**	**Proportion of remuneration performance related**	**S300A Value of options as proportion of remuneration %**
Non-executive directors												
Allan English	2013	73,395	-	-	-	-	6,605	-	-	80,000	-	-
	2012	73,395	-	-	-	-	6,605	-	-	80,000	-	-
Andrew Kemp	2013	40,000	-	-	-	-	-	-	-	40,000	-	-
	2012	40,000	-	-	-	-	-	-	-	40,000	-	-
Bede King	2013	40,000	-	-	-	-	-	-	-	40,000	-	-
	2012	40,000	-	-	-	-	-	-	-	40,000	-	-
Sophie Mitchell	2013	36,698	-	-	-	-	3,302	-	-	40,000	-	-
(appointed September 2011)	2012	30,063	-	-	-	-	2,706	-	-	32,769	-	-
Karen Penrose	2013	40,649	-	-	-	-	3,658	-	-	44,307	-	-
(appointed September 2011)	2012	30,063	-	-	-	-	2,706	-	-	32,769	-	-
Total Directors	**2013**	**230,742**	**-**	**-**	**-**	**-**	**13,565**	**-**	**-**	**244,307**	**-**	**-**
Remuneration	**2012**	**213,521**	**-**	**-**	**-**	**-**	**12,017**	**-**	**-**	**225,518**	**-**	**-**

In dollars		Short-term			Long-term		Post-employment		Shared based				
		Salary & fees	Non-monetary benefits	STI cash bonus	Long service leave	LTI cash bonus	Superan-nuation	Termi-nation benefits	Options and rights	Shares and units	Total	Proportion of remuner-ation per-formance related	S300A Value of options as proportion of remuner-ation %
Senior executives													
Charles Gregory CEO	2013	285,525	62,459	84,946	-	32,504	40,168	-	-	1,000	506,602	23%	
	2012	267,719	74,655	189,001	-	108,344	31,354	-	-	1,000	672,073	44%	-
David Wilson CFO	2013	142,024	-	70,621	-	18,507	23,188	-	-	1,000	255,340	35%	
	2012	140,861	-	118,267	-	63,500	17,606	-	-	1,000	341,234	53%	-
Alternate Director and Company Secretary													
Don Mackenzie	2013	71,602	-	-	-	-	-	-	-	-	71,602	-	-
	2012	82,868	-	-	-	-	-	-	-	-	82,868	-	-
Total senior executives and company secretary	**2013**	**499,151**	**62,459**	**155,567**	**-**	**51,011**	**63,356**	**-**	**-**	**2,000**	**833,544**	**-**	**-**
Remuneration	**2012**	**491,448**	**74,655**	**307,268**	**-**	**171,844**	**48,960**	**-**	**-**	**2,000**	**1,096,175**	**-**	**-**

Analysis of bonuses included in remuneration - audited

	Short-term incentive bonus		Long-term incentive bonus	Total performance related remuneration
	Vested in year		*Deferred*	
	$	%	$	$
Charles Gregory	84,946	100	32,504	117,450
David Wilson	70,621	100	18,507	89,128

Amounts paid as short-term incentive bonuses vested during the year. Amounts accrued as long-term incentive bonuses are deferred until 2015 depending on the EPS growth between June 2010 and June 2014.

Equity instruments

The fair value of options issued is calculated at the date of grant using a Black - Scholes model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options allocated to this reporting period. In valuing the option, market conditions have been taken into account since the ASX listing of Silver Chef.

All options refer to options over ordinary shares of Silver Chef Limited, which are exercisable on a one-for-one basis under the Employee Share Option Plan. The options will only vest while the person remains an employee of the Group. The Group prohibits those that are granted share-based payments as part of their remuneration from entering into other arrangements that limit their exposure to losses that would result from share price decreases. Entering into such arrangements has been prohibited by law since July 2011.

During the financial year, no options over ordinary shares were granted to key management personnel.

Exercise of options granted as compensation

During the reporting period, the following shares were issued on the exercise of options previously granted as compensation:

	Number of shares	Amount paid $/share
Senior Executives		
Charles Gregory	14,000	1.60

There are no amounts unpaid on the shares issued as a result of the exercise of the options in the 2013 financial year.

Analysis of options and rights over equity instruments granted as compensation

Details of the vesting profiles of the options previously granted as remuneration to each key management person of the Group are detailed below.

	Options granted				
	Number	Date	% vested in year	% forfeited in year	Financial years in which grant vests
Senior Executives					
Charles Gregory	14,000	1 July 2008	100%	-	1 July 2010
Charles Gregory	50,000	1 July 2008	-	-	1 July 2011

Analysis of movements in options

The movement during the reporting period, by value, of options over ordinary shares in the Company held by each key management person is detailed below.

Senior executives	Granted in year	Value of options exercised in year (A) $	Lapsed in year
Charles Gregory	-	35,140	-

(A) The value of the options exercised during the year is calculated as the market price of shares of the Company as at close of trading on the date the options were exercised after deducting the price paid to exercise the option.

Options and rights over equity instruments holdings

The movements during the reporting period in the number of options over ordinary shares in Silver Chef Limited held, directly, indirectly or beneficially, by each Director and senior executive, including their personally-related entities, are as follows:

2013	Held at 1 July 2012	Granted as remun-eration	Exercised	Held at 30 June 2013	Vested at 30 June 2013	Vested & exercisable at 30 June 2013	Vested & Un-exercisable at 30 June 2013
Senior executives							
Charles Gregory	64,000	-	(14,000)	50,000	50,000	50,000	-

Options were exercised at an average value of $1.60 per option.

2012	Held at 1 July 2011	Granted as remun-eration	Exercised	Held at 30 June 2012	Vested at 30 June 2012	Vested & exercisable at 30 June 2012	Vested & Un-exercisable at 30 June 2012
Senior executives							
Charles Gregory	150,000	-	(86,000)	64,000	64,000	64,000	-

Options were exercised at an average value of $1.47 per option

4.4 Audit and risk management committee

The Board delegates oversight responsibility for risk management to the Audit and Risk Management Committee ("ARM Committee").

The purpose of the ARM Committee is to advise on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of Silver Chef. The ARM Committee operates with the primary objective to assist the Board of Directors in fulfilling the Board's responsibilities relating to the accounting, reporting and financial risk management practices of the Company.

The specific recommendation issued by the ASX Recommendations specifies that an ARM Committee comprise at least three Directors, all of whom are non-executive directors, and a majority of whom are independent.

At the date of this report, the members of the Company's ARM Committee are Karen Penrose, Andrew Kemp and Bede King. The Company Secretary serves as Secretary to the Committee.

In fulfilling their objectives, the ARM Committee meets at least four times each year. The main duties and responsibilities of the committee include:

- internal control framework including management information systems;
- assessing corporate risk compliance with internal controls;
- management processes supporting external reporting;
- review of financial statements and other financial information distributed externally;

- review of the effectiveness of the external audit function;
- review of the performance and independence of the external auditors;
- review of the external audit function to ensure prompt remedial action by management, where appropriate, in relation to any deficiency in or breakdown of controls;
- assessing the adequacy of external reporting for the needs of shareholders;
- monitoring compliance with the Company's code of ethics;
- monitoring the procedures to ensure compliance with the Corporations Act 2001, the ASX Listing Rules and all other regulatory requirements; and
- addressing any matters outstanding with auditors, Australian Tax Office, Australian Securities Exchange, Australian Securities and Investments Commission and other regulators.

Operating and reporting

Meetings of the ARM Committee are held quarterly with two meetings being focused on financial reporting to coincide with annual and half year financial reporting and the other two meetings are dedicated to matters relating to risk management.

The Chief Executive Officer and the Chief Financial Officer attend the ARM Committee meetings in an ex-officio capacity and external auditors are invited to attend all meetings. All Directors receive Committee papers and may also attend meetings on an ad hoc basis.

Prior to signing the Group's annual financial statements, Silver Chef's Chief Executive Officer and Chief Financial Officer report in writing to the ARM Committee that:

- the statement given in accordance with ASX Principles Recommendations best practice recommendation 7.2 and 7.3 and Section 295 of the Corporations Act 2001 is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- the Company's risk management and internal compliance and control framework is operating efficiently and effectively in relation to financial risks.

External auditor

The role of the external auditor is to provide an independent opinion that Silver Chef's financial reports are true and fair, and comply with applicable regulations.

KPMG are auditors of Silver Chef.

The ARM Committee requires the external auditor to confirm at each reporting period that they have maintained their independence and have complied with the independence standards required by Australian regulators and professional bodies.

4.5 Finance Committee

At the date of this report, the members of the Company's Finance Committee are Andrew Kemp, Sophie Mitchell and Karen Penrose. Other Directors attend on an ad hoc basis. Members are required to be financially literate and include at least one, and preferably two, member(s) with past employment experience in finance.

The Chief Executive Officer and the Chief Financial Officer attend all meetings of the Committee together with such other executives and management as may be invited by the Committee. The Company Secretary served as Secretary to the Committee.

The Finance Committee shall have responsibility for the following in respect of Silver Chef and its subsidiaries from time to time, or as required:-

(a) considering and making recommendations to the Board concerning the formulation and monitoring of the Company's capital management strategy, including dividend payment strategies;

(b) considering the Company's funding requirements and making recommendations to the Board concerning specific funding proposals;

(c) monitoring borrowings from financial institutions and compliance with borrowing covenants;

(d) formulating, approving and monitoring policies in relation to capital structure, treasury practices (cash management, payments processing and bank account administration) and the management of credit, debt structure, liquidity and market risks (interest rates, currency and commodity) assumed by the Company in the course of carrying on its business;

(e) reviewing and making recommendations to the Board in relation to financial risks and exposure resulting from movements in interest rates and exchange rates, including the extent and methods of financial hedging;

(f) considering and reporting to the Board on such other matters as the Board may refer to the Committee from time to time; and

(g) reviewing all ASX releases, broker presentations and releases containing any financial results or indicative forecasts.

4.6 Risk management

Quantitative disclosures are included throughout these consolidated financial statements in relation to the Group's exposure to risks, their objectives, policies and processes for measuring and managing risk and their management of capital.

Risk management approach

The approach to assessing risk is by identifying and managing risks that affect the business and enables the risks to be balanced against appropriate rewards and reflects our values, objectives and strategies. The Company has established policies for the oversight and management of our material business risks.

Risk management framework

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

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

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

Responsibility for control and risk management is delegated to the appropriate level of management within the Group with the Chief Executive Officer and Chief Financial Officer having ultimate responsibility to the Board for the Group's risk management and internal control activities. Arrangements put in place by the Board to monitor risk management include:

- regular reporting to the Board in respect of operations and the financial position of the Group;
- reports by the Chairman of the ARM Committee and circulation to the Board of the minutes of each meeting held by the ARM Committee;
- presentations made to the Board throughout the year by appropriate members of the Group's Leadership Team (and/or independent advisers, where necessary) on the nature of particular risks and details of the measures which are either in place or can be adopted to manage or mitigate the risk; and
- operational and project audits be undertaken by management, at the request of any Director.

The Group's financial instruments comprise receivables, payables, bank loans, unsecured corporate notes, finance leases, cash and short-term deposits. Further details of the Group's policies relating to interest rate management, liquidity risk management, market risk management and credit risk management are included in note 26 to the consolidated financial statements.

Operational risk

Operational risk arises from direct or indirect loss from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks can arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management and is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced and the adequacy of controls and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- development of contingency plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

4.7 Ethical standards

Code of conduct and principles for doing business

The Board encourages the highest standards of ethical conduct by all Directors and employees of the Group and has adopted a Code of Ethics that sets out the principles and standards with which all Group officers and employees are expected to comply in the performance of their respective functions and which include:

- comply with the law;
- act honestly and with integrity;
- reduce the opportunity for situations to arise which result in divided loyalties or conflicts of interest;
- ensure there is responsibility and accountability for individuals for reporting and investigating reports of unethical practices;
- use Silver Chef's assets responsibly and in the best interests of Silver Chef shareholders; and
- be responsible and accountable for their actions.

Policies for reporting unethical practices and legal obligations are contained in the Company's Statement of Corporate Governance Charter.

Employment practices

The Company will employ the best available staff, both male and female, from a diverse background, with skills required to carry out their roles and will ensure that diversity objectives are adopted at all levels of the Company.

The Company will ensure a safe work place and maintain proper occupational health and safety practices commensurate with the nature of the Company's business and activities.

Diversity

A gender diversity policy has been adopted and is included as a separate policy together with the Corporate Governance Charter on the Company's website. The Board continues to consider suitable diversity targets to achieve greater diversity at the Company at all levels of the workforce and the Board.

Data which details the proportion of women employees in the Company and women in senior executive positions is detailed below.

Gender representation	June 2013		June 2012	
	Female %	Male %	Female %	Male %
Board representation	33%	67%	33%	67%
Leadership Team representation	38%	62%	43%	57%
Group representation	58%	42%	55%	45%

Trading in Silver Chef shares

Under the Company's Securities Trading Policy (available on Silver Chef's internet site) all employees (including Directors) may only buy and sell Silver Chef shares in accordance with the Policy which specifically states that Silver Chef employees are prohibited from buying and selling Silver Chef shares at any time if they are aware of any price sensitive information that has not been made public and during periods when a trading blackout applies.

4.8 Communication with shareholders

Silver Chef has in place procedures to ensure a level of disclosure that provides all investors with equal, timely, balanced and meaningful information.

The Company Secretary is accountable for the compliance with ASX Listing Rules and the CEO and CFO are responsible for monitoring the Company's activities in light of its continuous disclosure policy and where necessary discussing disclosure obligations with the Company Secretary and the Board.

The Group encourages communication with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the Group.

Mechanisms employed in shareholder communications will include:

- regular shareholder communications such as half-yearly reports, quarterly newsletters and the full financial report;
- financial results presentations at the Company's Annual General Meeting;
- shareholder access to communications through Silver Chef's website; and
- utilising Boardroom Pty Limited, the Group's share registry service provider.

Shareholders are encouraged to attend and actively participate in Silver Chef's Annual General Meeting, and at the time of receipt of the Notice of Meeting, shareholders are invited to put forward questions that they would like addressed at that meeting.

5. Principal activities

The principal activity of the Group is long term rental of commercial equipment. There have been no changes in the nature of the activities in the year.

The consolidated entity's objectives are to:

- Maintain its growth in the hospitality sector and GoGetta through a broader base and enhance growth in rental income;
- Continue to build the depth of its management team to manage this growth; and
- Earn a strong return on assets and shareholder funds leading to enhanced earnings per share.

6. Operating and financial review

A review of the operations of the consolidated entity during the financial year and of significant changes in the state of affairs of the consolidated entity is as follows:

- Rental income increased from $84.0 million in FY12 to $114.4 million in FY13.
- Net profit after tax increased from $9.0 million in FY12 to $11.5 million in FY13.

The Chief Executive Officer's report contains a detailed operations review.

7. Dividends

Dividends paid or declared by the Company to members since the end of the previous year were:

Type	Cents per share	Total amount $	Date of payment
Declared and paid during the year			
Final dividend – 2012	14.5	3,893,000	28 September 2012
Interim dividend – 2013	14.0	3,811,000	28 March 2013
		7,704,000	
			Proposed date of payment
Dividend declared – after year-end	14.5	4,171,000	30 September 2013

8. Events subsequent to reporting date

A dividend of [14.5] cents per share, 100% fully franked was declared by the Directors on 26 August 2013. The dividend has not been provided for in the 30 June 2013 financial report.

9. Likely developments

The strong outlook for the Company is subject to the risks of operating in the rental finance industry including economic conditions, operating in other geographies, credit risk, competitive pressures and residual asset risk.

Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

10. Directors' interests

The relevant interests of each Director in the shares and options over such instruments issued by the Company as notified by the Directors to Australian Securities Exchange in accordance with section 205G (1) of the Corporations Act 2001, at the date of this report is:

Name	Ordinary shares
Allan English	
- English Family Foundation Pty Ltd <English Family Foundation A/c>	4,400,000
- Tessana Pty Ltd <A English Family A/c>	4,399,955
- BT Portfolio Services Limited <Tessana Super Fund A/c>	281,558
	9,081,513
Andrew Kemp	
- Huntington Group Pty Ltd	135,130
- Huntington Group Pty Ltd <S Account>	528,912
- Huntington Investment Services Pty Ltd	239,259
- Manco (Aust) Pty Ltd	6,524
- A P & A Kemp	92,347
	1,002,172
Bede King	
- BF King & HJ King <King Superannuation Plan>	60,000
	60,000
Sophie Mitchell	
- Mitchelldangar Pty Ltd	16,975
	16,975
Karen Penrose	
- BT Portfolio Services Limited	11,077
	11,077
Don Mackenzie	
- Rotherby Pty Ltd <Rotherby Superannuation Fund>	28,409
	28,409

Each of the persons listed above has a beneficial interest or an interest through an association in the shares registered in entities associated with each of the Directors and the alternate Director.

11. Share options

Options granted by Silver Chef Limited to Directors and officers of the Company

During the financial year, no options on ordinary shares were granted by the Company.

Unissued ordinary shares under option's issued by Silver Chef Limited

At the date of this report unissued shares of the Group under option are:

Expiry date	Exercise price	Number of shares
30 June 2014	$1.96	50,000

All options expire on the earlier of their expiry date or termination of employment. These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

Shares issued on exercise of options

During or since the end of the financial year, the Group issued ordinary shares of the Company as a result of the exercise of options as follows (there are no amounts unpaid on the shares issued):

Number of shares	Amount paid on each share
14,000	$1.60

12. Indemnification and insurance of officers and auditors

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

Insurance premiums

Since the end of the previous financial year, the Company has paid insurance premiums in respect of Directors' and Officers' liability and legal expense insurance contracts, for current and former Directors and Officers, including senior executives of the Company and Directors of its controlled entities. The disclosure of the costs of these premiums is prohibited by the terms of the insurance policy. The insurance policies outlined above do not contain details of the premiums paid in respect of individual Officers of the Company.

The insurance premiums relate to:

- Costs and expenses incurred by the relevant Officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- Other liabilities that may arise from their position, with the exception of conduct involving willful breach of duty or improper use of information or position to gain a personal advantage.

13. Non-audit services

During the year KPMG, the Company's auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services during the year by the auditor and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

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

Details of the amounts paid to the auditor of the Group, KPMG, and its related practices for audit and non-audit services provided during the year are set out in Note 27 to the financial statements.

14. Lead auditor's independence declaration

A copy of the lead auditor's independence declaration as required under Section 307C of the Corporations Act is included on page 73.

15. Rounding off

The Company is an entity of a kind referred to in ASIC Class Order 98/100 10 July 1998, and in accordance with that Class Order, amounts in the financial report and Directors' Report are rounded to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of Directors.

Allan English
Chairman
Brisbane

26 August 2013

Corporate Governance Statement

Silver Chef Limited (the Company) and the Board of Directors (the Board) are committed to achieving and demonstrating the highest standards of corporate governance. The Board endorses the 2nd edition of the Australian Securities Exchange (ASX) Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles) issued in August 2007, including the 2010 amendments.

The Company's Corporate Governance Charter is available on the Company website www.silverchefgroup.com.au

The table below summarises how the Company complies with the ASX Principles, and if not, why not.

Principle Number	Best practice recommendations	Compliance (Yes/No)	Comments
1.0	**Lay solid foundations for management and oversight**		
1.1	Establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	Yes	
1.2	Disclose the process for evaluating the performance of senior executives.	Yes	
1.3	Provide the information indicated in Guide to reporting on Principle 1	Yes	
2.0	**Structure the Board to add value**		
2.1	A majority of the Board should be independent Directors.	Yes	
2.2	The Chair person should be an independent Director.	No	See note 1
2.3	The roles of Chair and Chief Executive Officer or similar roles should not be exercised by the same individual.	Yes	
2.4	The Board should establish a nominations committee.	No	See note 2
2.5	Disclose the process for evaluating performance of the Board, its committees and individual Directors.	Yes	
2.6	Provide the information indicated in Guide to reporting on Principle 2.	Yes	
3.0	**Promote ethical and responsible decision – making**		
3.1	Establish a code of conduct and disclose the code or a summary of the code as to:		
	• The practices necessary to maintain confidence in the Company's integrity	Yes	
	• The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and	Yes	
	• The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Yes	
3.2	Establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to assess measurable objectives for achieving gender diversity for the Board to assess annually both the objectives and progress achieving them.	Yes	
3.3	Disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.	Yes	
3.4	Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	Yes	
3.5	Provide the information indicated in the Guide to reporting on Principle 3	Yes	
4.0	**Safeguard integrity in financial reporting**		
4.1	The Board should establish an audit committee.	Yes	
4.2	Structure the audit committee so that it:		
	Consists of only non-executive Directors	Yes	
	Consists of a majority of independent Directors	Yes	
	Is chaired by an independent chair, who is not chair of the Board; and	Yes	
	Has at least three members	Yes	

Corporate Governance Statement cont.

Principle Number	Best practice recommendations	Compliance (Yes/No)	Comments
4.3	The audit committee should have a formal charter.	Yes	
4.4	Provide the information indicated in Guide to reporting on Principle 4.	Yes	
5.0	**Make timely and balance disclosure**	Yes	
5.1	Establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes	
5.2	Provide the information indicated in Guide to reporting on Principle 5.	Yes	
6.0	**Respect the rights of shareholders**		
6.1	Design a communications policy for promoting effective communication with shareholders and encourage their participation at general meetings and disclose the policy.	Yes	
6.2	Provide the information indicated in Guide to reporting on Principle 6.	Yes	
7.0	**Recognise and manage risk**		
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes	
7.2	Board to direct management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	Yes	
7.3	The Board should disclose whether it has received assurance from the Chief Executive Officer and the Chief Financial Officer that the declaration provided under s295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes	
7.4	Provide the information indicated in Guide to reporting on Principle 7.	Yes	
8.0	**Remunerate fairly and responsibly**		
8.1	Establish a Remuneration Committee	Yes	
8.2	The committee should be structured so that it:		
	• Consists of a majority of independent Directors;	Yes	
	• Is chaired by an independent chair; and	Yes	
	• Has at least three members	Yes	
8.3	Ensures that Silver Chef clearly distinguishes the structure of the non-executive Directors' remuneration from that of executive Directors and senior executives.	Yes	
8.4	Provide the information indicated in Guide to reporting on Principle 8.		

Departures from ASX Principles

Note	Details
1	Silver Chef does not comply with ASX Principles that requires a chair person to be an independent Director. Allan English cannot be regarded as independent by virtue of his shareholding interests but notwithstanding this, the Board has processes in place to manage any potential conflicts arising from the shareholdings in which Allan English has a beneficial or relevant interest.
2	Silver Chef has not established a Nominations Committee and the full Board deals with such matters.

30

Consolidated financial statements

For the year ended 30 June 2013

Consolidated financial statements

For the year ended 30 June 2013

Index to the financial statements

Consolidated statement of comprehensive income

For the year ended 30 June 2013

	Note	2013 $000's	2012 $000's
Revenue	7	114,374	84,213
Expenses from ordinary activities	8	(85,503)	(60,805)
Finance costs	10	(6,817)	(5,027)
Change in fair value of derivative financial instruments		507	(328)
Change in fair value of properties		(151)	(325)
Loss on sale of plant and equipment		(5,818)	(4,472)
Loss on sale of properties		(11)	(172)
Profit before income tax		16,581	13,084
Income tax expense	14	(5,132)	(4,093)
Profit for the year		**11,449**	**8,991**
Other comprehensive income (net of tax)			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences – foreign operations		157	(35)
Total comprehensive income for the year attributable to owners of the Company		**11,606**	**8,956**
Dividend per share	22	28.5 cents	20.5 cents
Earnings per share			
Basic earnings per share	23	41.5 cents	37.4 cents
Diluted earnings per share	23	41.4 cents	37.3 cents

The above consolidated statement of comprehensive income is to be read in conjunction with the attached notes.

Consolidated statement of financial position

For the year ended 30 June 2013

	Note	2013 $000's	2012 $000's
ASSETS			
Current assets			
Cash and cash equivalents	21A	1,296	680
Trade and other receivables	15	3,860	2,598
Properties held for sale	13	1,306	2,199
Other assets	16	364	404
Total current assets		**6,826**	**5,881**
Non-current assets			
Property, plant and equipment	11	176,710	132,367
Intangibles	12	940	830
Deferred tax assets	14	5,522	3,121
Total non-current assets		**183,172**	**136,318**
Total assets		**189,998**	**142,199**
LIABILITIES			
Current liabilities			
Trade and other payables	17	34,688	27,057
Loans and borrowings	19	1,056	1,779
Current tax payable	18	2,858	1,272
Derivative financial instruments	26	1	508
Employee benefits	20	981	713
Total current liabilities		**39,584**	**31,329**
Non-current liabilities			
Loans and borrowings	19	91,297	65,167
Employee benefits	20	946	487
Total non-current liabilities		**92,243**	**65,654**
Total liabilities		**131,827**	**96,983**
Net assets		**58,171**	**45,216**
EQUITY			
Share capital		40,167	31,069
Retained earnings		17,882	14,182
Foreign currency translation reserve		122	(35)
Total equity		**58,171**	**45,216**

The above consolidated statement of financial position is to be read in conjunction with the attached notes.

Consolidated statement of changes in equity

For the year ended 30 June 2013

	Number of shares on issue 000's	Share capital $000's	Retained earnings $000's	Translation reserve $000's	Total equity $000's
Balance at 1 July 2011	23,157	21,157	9,954	-	31,111
Total comprehensive income for the year					
Profit for the year	-	-	8,991	-	8,991
Foreign currency translation differences	-	-	-	(35)	(35)
Total comprehensive income for the year	-	-	8,991	(35)	8,956
Transactions with owners in their capacity as owners					
Dividends recognised during the year	-	-	(4,763)	-	(4,763)
Share issue costs	-	(351)	-	-	(351)
Shares issued under rights issue	3,581	10,025	-	-	10,025
Shares issued under employee share scheme	25	71	-	-	71
Shares issued on exercise of options	86	167	-	-	167
Total contributions by and distributions to owners of the Company	3,692	9,912	(4,763)	-	5,149
Balance at 30 June 2012	**26,849**	**31,069**	**14,182**	**(35)**	**45,216**

	Number of shares on issue 000's	Share capital $000's	Retained earnings $000's	Translation reserve $000's	Total equity $000's
Balance at 1 July 2012	26,849	31,069	14,182	(35)	45,216
Total comprehensive income for the year					
Profit for the year	-	-	11,449	-	11,449
Foreign currency translation differences	-	-	-	157	157
Total comprehensive income for the year	-	-	11,449	157	11,606
Transactions with owners in their capacity as owners					
Dividends recognised during the year	-	-	(7,704)	-	(7,704)
Share issue costs	-	(293)	-	-	(293)
Shares issued under share placement and Share Purchase Plan (SPP)	1,540	8,007	-	-	8,007
Shares issued under employee share scheme	22	87	-	-	87
Shares issued on exercise of options	14	22	-	-	22
Shares issued under dividend reinvestment plan (DRP)	138	525	-	-	525
Shares issued under DRP shortfall agreement	200	750	-	-	750
Foreign currency translation differences	-	-	(45)	-	(45)
Total contributions by and distributions to owners of the Company	1,914	9,098	(7,704)	-	1,349
Balance at 30 June 2013	**28,763**	**40,167**	**17,882**	**122**	**58,171**

The above consolidated statement of changes in equity is to be read in conjunction with the attached notes.

Consolidated statement of cash flows

For the year ended 30 June 2013

	Note	2013 $000's	2012 $000's
Cash flows from operating activities			
Receipts from customers		134,279	101,081
Payments to suppliers and employees		(47,806)	(32,557)
Finance costs paid		(6,477)	(4,854)
Interest received		124	82
Income taxes paid		(5,948)	(7,810)
GST recovered		1,172	452
Net cash from operating activities	21B	75,344	56,394
Cash flows from investing activities			
Payments for plant and equipment		(126,098)	(94,367)
Proceeds from sale of plant and equipment		24,236	19,066
Proceeds from sale of properties		730	337
Net cash used in investing activities		(101,132)	(74,964)
Cash flows from financing activities			
Proceeds from borrowings		56,043	12,891
Repayment of borrowings		(29,717)	-
Repayment of finance leases		(484)	(130)
Transaction costs paid in relation to loans and borrowings		(745)	(113)
Proceeds from issue of shares		8,779	10,343
Transaction costs paid in relation to issue of shares		(293)	(501)
Dividends paid		(7,179)	(4,763)
Net cash from financing activities		26,404	17,727
Net increase/(decrease) in cash held		616	(843)
Cash at beginning of year		680	1,523
Cash and cash equivalents at end of year	21A	1,296	680

The above consolidated statement of cash flows is to be read in conjunction with the attached notes.

Notes to the consolidated financial statements

For the year ended 30 June 2013

1. Reporting entity

Silver Chef Limited (the "Company") is a company domiciled in Australia. The address of the Company's registered office is Park Tower, 20 Pidgeon Close, West End Qld 4101. The consolidated financial statements of the Company as at and for the year ended 30 June 2013 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Group is a for profit entity and is primarily involved in the long term rental of commercial equipment.

2. Basis of preparation

a. Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the Board of Directors on 26 August 2013.

b. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- derivative financial instruments are measured at fair value; and
- investment properties are measured at fair value.

At year end there existed a deficiency of current assets to current liabilities, which is summarised below:

	2013 $000's	2012 $000's
Current assets	6,826	5,881
Current liabilities	(39,584)	(31,329)
	(32,758)	(25,448)

Included in the consolidated current liabilities at 30 June 2013 is an amount of $27,289,000 of customer security bonds (30 June 2012 $21,638,000). The security bonds are an important part of the Group's business model and in commercial terms, perform as follows:

- The bonds are taken as a cash deposit from the customer at the inception of the contract;
- The bonds are used by the Group as security over any defaults, excessive repatriation costs or asset impairments;
- The Group retains control over the bonds and they form a part of the Group's operating cash flows;
- Bond refunds will occur in two instances, when the customer returns the asset at the completion of the contract, after deducting any amounts for arrears and repatriation expenses or, when the customer purchases the asset from the Group, after deducting any amounts for arrears. In the majority of cases, the customer will purchase the asset and their bond will be refunded once the Group has received payment for the asset, making the transaction net cash flow positive.

Customer security bonds are classified as current as the Group does not have the unconditional right to defer repayment of the bonds for a period greater than 12 months in the majority of cases. In practice, not all customer security bonds are refunded within 12 months.

The ageing of customer security bonds at reporting date is as follows:

Age in months	Customer deposits $'000
0 - 6	9,176
6 - 12	8,453
12 - 18	3,678
18 - 24	2,845
> 24	3,137
Total	**27,289**

At 30 June 2013 approximately 35% (30 June 2012: 37%) of bonds have been held for a period greater than 12 months.

The balance of the bond liability is affected by movements in the rental asset base. Any decrease in the bond liability will usually be timed with the disposal of rental assets. Since listing in 2005, bond liabilities have been on average, 19% of the written down value of the Group's rental assets.

Another factor affecting the current ratio imbalance is the Group's cash management practices. The Group holds enough cash on hand to cover short term working capital requirements. The majority of the cash requirements are covered by the reliable, daily cash receipts from rental payments and other cash receipts which results in the Group not needing to hold large cash balances. Any excess cash is either deployed in purchasing rental assets, returned to shareholders as dividend payments or used to pay down debt. This practice is supported by the debt facility with the CBA, with the Group being able to draw down extra funds as required. At 30 June 2013, the Group had available undrawn facilities of $49.45 million.

After considering the above, the Directors believe there are reasonable grounds that the Group will be able to pay its debts as and when they fall due and the preparation of the financial report on a going concern basis is appropriate.

c. Functional and presentation currency

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

d. Use of estimates and judgements

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

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- note 13 – Properties – estimation of fair value; and
- note 11 – Property plant and equipment – impairment of rental assets.

e. Changes in accounting policies

Presentation of transactions recognised in other comprehensive income

From 1 July 2012 the Group applied amendments to AASB101 Presentation of Financial Statements as outlined in AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income. The change in accounting policy only relates to disclosures and has had no impact on consolidated earnings per share or net income. The changes have been applied retrospectively and require the Group to separately present those items of other comprehensive income that may be reclassified to profit or loss in the future from those that will never be reclassified to profit or loss. These changes are included in the statement of other comprehensive income.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Group entities, except for the changes in accounting policies as explained at Note 2 (e).

a. Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

b. Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost at the beginning of the period, adjusted for effective interest and payments during the period, and amortised cost in foreign currency translated at the exchange rate at the end of the year.

Foreign currency differences arising on re-translation are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated to the functional currency at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve in equity.

c. Financial instruments

(i) Non-derivative financial instruments

The Group initially recognises non-derivative financial instruments on the date that they are originated. The Group derecognises a financial instrument when the contractual rights or obligations to the cash flows from the instrument are discharged, cancelled or expire, or in the case of a financial asset, it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends to either settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial instruments: loans and receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and, trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments.

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued on the date that they are originated. All other financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise loans and borrowings and trade and other payables.

(iii) Share capital

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

(iv) Derivative financial instruments

The Group holds derivative financial instruments to hedge its interest rate exposures, however these derivative financial instruments were not designated in a hedge relationship that qualifies for hedge accounting. Accordingly, all changes in fair value were recognised immediately in profit or loss.

d. Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis in profit or loss over the estimated useful lives of each component. Leased assets are depreciated over the period of time that management estimates it can utilise the leased assets to generate income.

Items of property, plant and equipment are depreciated from the date that they are installed and ready for use.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

- rental equipment 1 to 5 years
- fixtures and fittings 5 to 10 years
- computer equipment 2 to 4 years
- motor vehicles 4 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

e. Intangible assets

(i) Recognition and measurement

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. All other expenditure is recognised in profit or loss as incurred.

(iii) Amortisation

Intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives from the date that they are available for use.

The estimated useful lives for the current and comparative years of significant intangible assets are as follows:

- software 4 to 5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

f. Properties

Properties are investment properties which are held to earn rental income. Properties are measured at cost on initial recognition and subsequently stated at fair value with any change therein recognised in profit and loss. The fair values are based on independent valuations and Directors' Valuations, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Any gain or loss on disposal of a property (calculated as the difference between the net proceeds from disposal and its carrying amount) is recognised in profit and loss.

g. Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

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

h. Assets held for sale

Assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets are re-measured in accordance with the Group's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held for sale or distribution, assets are no longer depreciated.

i. Employee benefits

(i) Long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or

profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(iii) Share-based payment transactions

The share option programme allows Group employees to acquire shares in the Company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black – Scholes model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

j. Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

k. Revenue

(i) Contract rental income

The Group derives revenue from operating leases. Revenue from operating leases is recognised in profit or loss on a straight-line basis over the lease term as it falls due.

Operating leases arise where substantially all of the risks and benefits incidental to ownership of the leased asset remain with the Group. Payments under operating leases are due and payable by the lessee on a weekly basis in advance.

(ii) Property rental income

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

l. Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, indications that a debtor will enter bankruptcy and economic conditions that correlate with defaults.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than properties and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

Impairment losses are recognised in profit or loss and reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

m. Leases

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

n. Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised in profit or loss as it accrues.

Finance costs comprise interest expense on borrowings and are recognised in profit or loss using the effective interest method.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

o. Taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Company and its wholly-owned Australian resident entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Silver Chef Limited.

p. Segment reporting

Segment results are consistent to that reported to the CEO and include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income and expenses and income tax assets and liabilities.

4. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 July 2012, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

AASB 9 Financial Instruments (2010), AASB 9 Financial Instruments (2009)

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. AASB 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project that may result in limited amendments to the classification and measurement requirements of AASB 9 and add new requirements to address the impairment of financial assets and hedge accounting.

AASB 9 (2010 and 2009) are effective for annual periods beginning on or after 1 January 2015 with early adoption permitted. The adoption of AASB 9 (2010) is expected to have an impact on the Group's financial assets, but no impact on the Group's financial liabilities.

AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities (2011)

AASB 10 introduces a single control model to determine whether an investee should be consolidated.

Under AASB 11, the structure of the joint arrangement, although still an important consideration, is no longer the main factor in determining the type of joint arrangement and therefore the subsequent accounting.

AASB 10 and AASB 11 are not expected to impact the Group.

AASB 12 brings together into a single standard all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Group is currently assessing the disclosure requirements for interests in subsidiaries, interests in joint arrangements and associates and unconsolidated structured entities in comparison with the existing disclosures. AASB 12 requires the disclosure of information about the nature, risks and financial effects of these interests.

These standards are effective for annual periods beginning on or after 1 January 2013 with early adoption permitted.

AASB 13 Fair Value Measurement (2011)

AASB 13 provides a single source of guidance on how fair value is measured, and replaces the fair value measurement guidance that is currently dispersed throughout Australian Accounting Standards. Subject to limited exceptions, AASB 13 is applied when fair value measurements or disclosures are required or permitted by other AASBs. The Group is currently reviewing its methodologies in determining fair values (see Note 5). AASB 13 is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted.

AASB 119 Employee Benefits (2011)

AASB 119 (2011) changes the definition of short-term and other long-term employee benefits to clarify the distinction between the two. AASB 119 (2011) is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted and is not expected to have any impact on the Group.

5. Determination of fair values

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

a. Properties

An external, independent valuation company values the Group's properties which have not been independently valued within the last 36 months or earlier if the Directors deem appropriate. The remaining properties are valued using market sale information sourced from a third party. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing less selling costs wherein the parties had each acted knowledgeably and willingly.

b. Interest rate swaps

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

c. Share-based payment transactions

The fair value of the employee share options is measured using the Black-Scholes formula. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

d. Non-derivative financial liabilities

Other non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date. In respect of the liability component of finance leases, the market rate of interest is determined by reference to similar lease agreements.

6. Operating segments

The Group has two reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer similar products and services, and are managed separately because they target distinctively different markets. For each of the strategic divisions, the Group's CEO (the chief operating decision maker) reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- Hospitality - Providing equipment rental finance predominantly to the hospitality industry; and
- GoGetta - Providing equipment rental finance to other industries.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CEO.

Information about reportable segments

	Hospitality		GoGetta		Total	
	2013 $000's	**2012 $000's**	**2013 $000's**	**2012 $000's**	**2013 $000's**	**2012 $000's**
External revenue	74,749	58,693	37,342	23,829	112,091	82,522
Depreciation and amortisation	(32,280)	(24,951)	(15,935)	(9,185)	(48,215)	(34,136)
Loss on sale of property, plant and equipment	(3,244)	(2,007)	(2,582)	(2,462)	(5,826)	(4,469)
Bad and doubtful debt expense	(419)	(378)	(233)	(196)	(652)	(574)
Impairment on property, plant and equipment	(1,778)	(1,021)	(384)	(211)	(2,162)	(1,232)
Reportable segment profit before tax	25,374	22,148	10,894	7,133	36,268	29,281
Reportable segment assets	130,157	101,942	65,427	45,746	195,584	147,688
Property, plant and equipment acquired during year	76,690	56,034	48,635	36,957	125,325	92,991
Reportable segment liabilities	(106,607)	(88,281)	(58,277)	(42,987)	(164,884)	(131,268)

Reconciliation of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2013 $000's	**2012 $000's**
Revenues		
Total revenue for reportable segments	112,091	82,522
Other revenue	2,283	1,691
Consolidated revenue	**114,374**	**84,213**
Profit or loss		
Total profit or loss for reportable segments	36,268	29,281
Other profit or loss	(20,194)	(15,869)
Change in fair value of derivatives	507	(328)
Consolidated profit before tax	**16,581**	**13,084**
Assets		
Total assets for reportable segments	195,584	147,688
Other assets	7,953	8,048
Elimination of inter-segment assets	(13,539)	(13,537)
Consolidated total assets	**189,998**	**142,199**
Liabilities		
Total liabilities for reportable segments	164,884	131,268
Other liabilities	97,132	77,222
Elimination of inter-segment liabilities	(130,189)	(111,507)
Consolidated total liabilities	**131,827**	**96,983**

Reconciliation of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2013 $000's			2012 $000's		
	Reportable segment totals	Other	Consol-idated totals	Reportable segment totals	Other	Consol-idated totals
Depreciation and amortisation	48,215	1,019	49,234	34,136	637	34,773
Loss on sale of property plant and equipment	5,826	(8)	5,818	4,469	3	4,472
Bad and doubtful debt expense	652	-	652	574	49	623
Impairment on property, plant and equipment	2,162	-	2,162	1,232	-	1,232
Property plant and equipment acquired	125,325	914	126,239	92,991	2,577	95,568

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers and segment assets are based on the geographical location of the assets.

	2013 $000's		2012 $000's	
	Revenue	Non-current assets	Revenue	Non-current assets
Australia	112,733	178,786	84,040	135,436
New Zealand	1,641	4,386	173	882
Total	**114,374**	**183,172**	**84,213**	**136,318**

7. Revenue

	2013 $000's	2012 $000's
Rental income	114,148	84,028
Interest	124	82
Property rental income	102	103
Total revenue	**114,374**	**84,213**

8. Expenses from ordinary activities

	Note	2013 $000's	2012 $000's
Cost of sales – services		8,249	4,724
Employee benefits expense	9	14,845	11,605
Depreciation and amortisation expense		49,234	34,773
Bad and doubtful debts		652	623
Impairment loss on rental equipment	11	2,162	1,232
Other administrative expenses		6,705	5,584
Sales and marketing		3,576	2,185
Property expenses[1]		80	79
Total expenses from ordinary activities		**85,503**	**60,805**

[1] Direct operating expenses arising from properties that generated rental income.

9. Employee benefits expense

	2013 $000's	2012 $000's
Wages and salaries	12,555	10,128
Other associated personnel expenses	1,197	694
Superannuation	1,013	729
Long service leave	80	54
Total employee benefits expense	**14,845**	**11,605**

10. Finance Costs

	2013 $000's	2012 $000's
Interest expense on financial liabilities measured at amortised cost	6,477	4,854
Amortisation of capitalised borrowing costs	340	173
Total finance costs	**6,817**	**5,027**

11. Property, plant and equipment

	2013 $000's	2012 $000's
Plant and equipment		
At cost	5,149	4,364
Less accumulated depreciation	(1,965)	(1,242)
Carrying amount of property, plant and equipment	**3,184**	**3,122**
Movements during the year		
Balance at 1 July	3,122	966
Additions	914	2,577
Depreciation expense	(796)	(348)
Disposals	(56)	(73)
Balance at 30 June	**3,184**	**3,122**
Rental assets		
At cost	257,438	189,843
Less accumulated depreciation	(81,577)	(59,126)
Less provision for impairment	(2,335)	(1,472)
Carrying amount of rental assets	**173,526**	**129,245**
Movements during the year		
Balance at 1 July	129,245	94,784
Additions	125,325	92,991
Depreciation expense	(48,215)	(34,136)
Impairment loss[1]	(2,162)	(1,232)
Disposals	(30,667)	(23,162)
Balance at 30 June	**173,526**	**129,245**
Total property, plant and equipment	**176,710**	**132,367**

[1]Impairment of rental assets: assessments are made monthly on the recoverable amount of returned assets and assets on contracts which have defaulted. As a result, impairment losses of $2,162,000 (2012: $1,232,000) were recognised throughout the year. No impairment losses have been reversed. (2012: Nil)

	2013 $000's	2012 $000's
Assets leased out under operating leases and included in rental assets above		
At cost	243,043	179,057
Less accumulated depreciation	(77,478)	(56,332)
Less provision for impairment	(183)	(298)
Carrying amount of rental assets pledged as security for liabilities	**165,382**	**122,427**
Depreciation recognised as an expense	46,911	32,992

12. Intangible assets

	2013 $000's	2012 $000's
Intangible assets		
Software at cost	2,587	2,254
Less accumulated depreciation	(1,647)	(1,424)
Carrying amount of intangible assets	**940**	**830**
Movements during the year		
Balance at 1 July	830	384
Additions	333	735
Amortisation expense	(223)	(289)
Balance at 30 June	**940**	**830**

13. Properties

	2013 $000's	2012 $000's
Current		
Properties at fair value	1,306	2,199
Carrying amount of properties pledged as security for liabilities	**1,306**	**2,199**
Movements during the year		
Balance at 1 July	2,199	3,054
Revaluations	(151)	(325)
Disposals	(742)	(530)
Balance at 30 June	**1,306**	**2,199**

As at 30 June 2013, all investment properties have been classified as held for sale and as current assets.

14. Taxes

Current tax expense	2013 $000's	2012 $000's
Tax recognised in profit or loss		
Current year	7,365	4,807
Adjustment for prior year	41	(20)
Increase in deferred tax asset posted from equity	**127**	**150**
Deferred tax expense	(2,401)	(844)
	5,132	**4,093**

Reconciliation of effective tax rate	%	2013 $000's	%	2012 $000's
Profit for the year		11,449		8,991
Total tax expense		5,132		4,093
Profit before tax		**16,581**		**13,084**
Tax using the Company's domestic tax rate	30.0%	4,974	30.0%	3,925
Prior year adjustment	(0.3%)	41	(0.2%)	(20)
Non-deductible expenses	0.7%	120	0.3%	39
Other	0.0%	(3)	1.1%	149
	30.4%	**5,132**	**31.2%**	**4,093**

Unrecognised deferred tax assets	2013 $000's	2012 $000's
Deferred tax assets have not been recognised in respect of the following items:		
Capital tax losses	464	725
	464	**725**

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable capital gains will be available against which the Group can utilise the benefits there from.

Recognised deferred tax assets and liabilities	2013 $000's	2012 $000's
Deferred tax liabilities		
Plant and equipment	54	49
Intangibles	72	29
Other	1	-
Total deferred tax liabilities	**127**	**78**
Deferred tax assets		
Rental assets	3,602	1,588
Allowance for impairment of receivables	306	363

14. Taxes (continued)

Recognised deferred tax assets and liabilities (continued)	2013 $000's	2012 $000's
Employee entitlements	594	248
Rental asset impairment	642	403
Other	505	597
Total deferred tax assets	**5,649**	**3,199**
Net deferred tax assets	**5,522**	**3,121**
Deferred tax liabilities		
Plant and equipment	5	(110)
Intangibles	43	(43)
Other	-	(75)
Deferred tax assets		
Rental assets	(2,013)	(116)
Allowance for impairment of receivables	57	(23)
Employee entitlements	(345)	(37)
Rental asset impairment	(239)	(80)
Other	91	(360)
Deferred tax expense	**(2,401)**	**(844)**
Movement in deferred tax asset recognised directly in equity	127	150

15. Trade and other receivables

	2013 $000's	2012 $000's
Trade receivables	4,354	2,992
Other receivables	526	816
Allowance for impairment losses	(1,020)	(1,210)
Total receivables	**3,860**	**2,598**
Operating leases – leases as a lessor		
Plant and equipment is leased to various industries		
Included in current receivables		
Lease commitments receivable	2,740	1,678
Less provision for impairment	(588)	(555)
Net lease commitments receivable	**2,152**	**1,123**

15. Trade and other receivables (continued)

	2013 $000's	2012 $000's
Future minimum lease receipts in respect of non-cancellable leases according to the time expected to elapse to the expected date of receipt:		
Rental equipment		
Not later than one year	54,290	41,293
Greater than one, less than five	-	-
Total future minimum lease receipts	**54,290**	**41,293**
Rental contracts are normally for a minimum of twelve months duration.		

16. Other assets

	2013 $000's	2012 $000's
Current		
Prepayments	364	404

17. Trade and other payables

	2013 $000's	2012 $000's
Current		
Creditors and accruals (unsecured)	6,359	4,667
Deferred revenue and customer security bonds	28,329	22,390
	34,688	**27,057**

18. Tax assets and liabilities

	2013 $000's	2012 $000's
Current		
Current tax payable	2,858	1,272

19. Loans and borrowings

	2013 $000's	2012 $000's
Current		
Secured:		
Finance lease liabilities	409	414
Property bank loans	647	1,365
	1,056	**1,779**
Non-current		
Secured:		
Finance lease liabilities	1,384	1,863
Bank loans[1]	60,477	63,304
Unsecured:		
Corporate loan notes[2]	29,436	-
	91,297	**65,167**

[1] At 30 June 2013, the Group's bankers have provided funding to the Group under a facility which expires on 30 October 2014. The total available facility is $110,000,000. The facility incurs interest at a rate of 6.75% (2012: 6.5%) and is secured by a fixed and floating charge over the assets of the Group.

[2] The corporate loan notes are senior, unsecured, unsubordinated notes with a face value of $30.0 million at a fixed coupon rate of 8.5% per annum and a maturity date of 14 September 2018. Interest on the corporate loan notes is payable on a six monthly basis.

	2013 $000's	2012 $000's
Summary of available facilities		
Finance lease liabilities secured by respective plant and equipment	477	297
Commercial bills secured by way of a fixed and floating charge over the Group's assets	49,450	46,450

Finance lease payment commitments

	2013			2012		
	Future minimum lease payments $000's	Interest $000's	Present value of minimum lease payments $000's	Future minimum lease payments $000's	Interest $000's	Present value of minimum lease payments $000's
Less than one year	529	120	409	571	157	414
Between one and five years	1,544	160	1,384	2,143	281	1,863
More than five years	-	-	-	-	-	-
Total	**2,073**	**280**	**1,793**	**2,714**	**439**	**2,277**

20. Employee benefits

	2013 $000's	2012 $000's
Current		
Annual leave	859	563
Long service leave	68	60
Other	54	90
	981	**713**
Non-current		
Long service leave	187	113
Other	759	374
	946	**487**

21A. Cash and cash equivalents

	2013 $000's	2012 $000's
Bank balances	1,296	680
Cash and cash equivalents in the statement of cash flows	**1,296**	**680**

21B. Reconciliation of cash flows from operating activities

	2013 $000's	2012 $000's
Profit for the year	11,449	8,991
Adjustments for:		
Depreciation	49,011	34,485
Amortisation of borrowing costs	340	173
Amortisation of intangible assets	223	289
Movement in impairment loss on receivables	(190)	78
Movement in impairment provision on PPE	2,164	1,234
Loss on sale of fixed assets	5,818	4,472
Loss on sale of properties	11	172
Change in fair value of properties	151	325
Change in tax payable	1,586	(552)
Change in deferred tax assets	(2,401)	(844)
Change in trade receivables	(2,157)	257
Change in other current assets	39	(112)
Change in derivative financial instruments	(507)	328
Change in creditors and accruals	2,079	1,603
Change in deferred revenue, advances and bonds	5,939	4,582
Change in provision for employee benefits	727	633
Change in GST clearing	1,062	280
Net cash provided by operating activities	**75,344**	**56,394**

22. Dividends

The following dividends were declared and paid by the Group:

	Cents per share	Total Amount $000's	Franked/ unfranked	Date of payment
2013				
Final dividend – 2012	14.5	3,893	Franked	28 September 2012
Interim dividend – 2013	14.0	3,811	Franked	28 March 2013
	28.5	7,704		
2012				
Final dividend – 2011	11.0	2,553	Franked	30 September 2011
Interim dividend – 2012	9.5	2,210	Franked	5 April 2012
	20.5	4,763		

Subsequent events

After 30 June 2013, the following dividends were proposed by the Directors. The dividends have not been provided for and there are no income tax consequences.

	Cents per share	Total Amount $000's	Date of payment
Final dividend 2013	14.5	4,171	30 September 2013

Franking account balance

The ability to utilise the franking credits is dependent upon the ability to declare dividends. The amount of franking credits available to shareholders for subsequent financial years is as follows:

	2013 $000's	2012 $000's
Franking account balance as at the end of the financial year at 30% (2012: 30%)	9,512	6,853
Franking (debits)/credits that will arise from the refund/payment of income tax payable as at the end of the financial year	2,858	1,272
	12,370	**8,125**

23. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 30 June 2013 was based on the profit attributable to ordinary shareholders of $11,449,000 (2012: $8,991,000) and a weighted average number of ordinary shares outstanding of 27,565,000 (2012: 24,034,000), calculated as follows:

Profit attributable to ordinary shareholders

	2013 $000's	2012 $000's
Profit for the year	11,449	8,991
	11,449	**8,991**
Weighted average number of ordinary shares	**2013 000's**	**2012 000's**
Issued ordinary shares at 1 July	26,849	23,157
Effect of share options exercised	11	39
Effect of shares issued under the dividend reinvestment plan	249	-
Effect of shares issued under the employee share scheme	18	22
Effect of shares issued under the rights issue	-	816
Effect of shares issued under share placement	438	-
Weighted average number of ordinary shares at 30 June	**27,565**	**24,034**

Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2013 was based on the profit attributable to ordinary shareholders of $11,449,000 (2012: $8,991,000) and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 27,640,000 (2012: 24,107,000), calculated as follows:

Profit attributable to ordinary shareholders (diluted)	2013 $000's	2012 $000's
Profit for the year	11,449	8,991
	11,449	**8,991**
Weighted average number of ordinary shares (diluted)	**2013 000's**	**2012 000's**
Weighted average number of ordinary shares (basic)	27,565	24,034
Effect of share options on issue	64	40
Effect of employee share based payment transactions	11	33
Weighted average number of ordinary shares at 30 June	**27,640**	**24,107**

24. Capital and reserves

Share capital	2013 000's	2012 000's
On issue at 1 July	26,849	23,157
Issued under dividend reinvestment plan	138	-
Issued under dividend reinvestment plan shortfall agreement	200	-
Exercise of share options	14	86
Issued under employee share scheme	22	25
Issued for cash	1,540	3,581
On issue at 30 June	**28,763**	**26,849**

Ordinary shares

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Issue of ordinary shares

During the period, 338,000 shares were issued under the dividend reinvestment plan at $3.83 (2012: Nil).

In September 2012, 14,000 options were exercised at $1.60 per option (2012: 86,000 options).

In March 2013, 1,540,000 shares were issued under share purchase plan and placement at $5.20 per share.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of foreign operations.

Shares issued under employee share scheme

Shares will be allotted for a price equal to the closing price of shares on ASX on the trading day prior to issue. The number of shares issued will be rounded down to the nearest whole number.

Offers (to the extent the Board decides to make them) will normally be made following the announcement of the full year financial results to the ASX.

All full-time and permanent part-time employees who are employed by Silver Chef Limited or its subsidiaries at the date set by the Board in respect of each Offer may participate in the Plan.

25. Operating leases

	2013 $000's	2012 $000's
Leases as lessee		
Not later than one year	749	729
Later than one year not later than five years	2,629	2,770
More than five years	2,432	3,057
	5,810	**6,556**

The Group leases its office and warehouse facilities under operating leases. The leases run for up to 10 years, with an option to renew after the expiry date. The Group also leases some office equipment under operating leases.

26. Financial instruments

(a) Financial risk management

(i) Overview

The Group's principal financial instruments comprise receivables, payables, loans and borrowings, cash and short term deposits.

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

- credit risk;
- liquidity risk; and
- market risk.

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

(ii) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Audit and Risk Management Committee ("ARM Committee"), which is responsible for developing and monitoring the Group's risk management policies. The ARM Committee reports regularly to the Board of Directors on its activities.

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

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

Responsibility for control and risk management is delegated to the appropriate level of management within the Group with the Chief Executive Officer and Chief Financial Officer having ultimate responsibility to the Board for the Group's risk management and internal control activities. Arrangements put in place by the Board to monitor risk management include:

- regular monthly reporting to the Board in respect of operations and the financial position of the Group;
- reports by the Chairman of the ARM Committee and circulation to the Board of the minutes of each meeting held by the ARM Committee;
- presentations made to the Board throughout the year by appropriate members of the Group's leadership team (and/or independent advisers, where necessary) on the nature of particular risks and details of the measures which are either in place or can be adopted to manage or mitigate the risk; and
- operational and project audits be undertaken by management, at the request of any Director.

(b) Credit risk

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

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2013 $000's	**2012 $000's**
Trade and other receivables	3,860	2,598
Cash and cash equivalents	1,296	680
	5,156	**3,278**

(ii) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the demographics of the Group's customer base.

The ARM Committee has adopted a credit policy under which each new customer is analysed individually for creditworthiness. The Group's review includes external ratings, when available, and in some cases bank references. Credit limits are set for each individual customer in accordance with the Board approved Credit Policy.

Where necessary, personal guarantees and/or security over property is required. The Group holds security bonds from each customer ranging from an equivalent four to thirteen weeks rental payments. Once the contract has been completed, the security bonds are refunded and any personal guarantee or security over property is released. There is no effective way of valuing personal guarantees that are held.

The Group has established an allowance for impairment that represents the estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures.

The ageing of trade receivables at 30 June is detailed below:

	2013 $000's		2012 $000's	
	Gross	**Allowance**	**Gross**	**Allowance**
Not past due	1,100	-	144	-
Past due 1-4 weeks	791	(13)	393	(7)
Past due 5-7 weeks	382	(17)	153	(5)
Past due 8-12 weeks	308	(42)	173	(19)
Past due + 12 weeks	1,773	(948)	2,129	(1,179)
Total trade receivables	**4,354**	**(1,020)**	**2,992**	**(1,210)**

Rental contracts require customers to pay weekly via direct debits to their nominated bank account in accordance with their rental agreement. All credit and recovery risk associated with trade receivables has been provided for in the statement of financial position.

In determining whether a balance is impaired, the Group takes into account the following criteria:

- whether the business is still operating;
- whether there is dialogue between the customer and the Group;
- whether the location of the rental assets is known and accessible;
- whether the Group can locate the customer; and
- whether any other form of security is held.

The Group holds security for a number of trade receivables in the form of guarantees and deeds of undertaking. Security deposits are required for almost all rental contracts.

The Group have used the following criteria to assess the allowance loss for trade receivables:

- an individual account by account assessment based on current arrears;
- any knowledge of debtors' insolvency or other credit risk; and
- type of rental assets held.

If there is no agreed payment schedule in place, the assets are repossessed where possible. Once the assets are repossessed, the final arrears position is finalised netting off the security bond and steps instigated to pursue recovery of the remaining debt.

Receivables past due but not considered impaired in the Group is $2,234,000 (2012:$1,638,000). Management is satisfied that payment will be received in full. Other balances within trade and other receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received in full.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2013 $000's	2012 $000's
Balance at 1 July	(1,210)	(1,132)
Impairment loss recognised	(651)	(556)
Amounts written off	641	478
Balance at 30 June	**(1,020)**	**(1,210)**

(iii) Cash and cash equivalents

The Group held cash and Cash equivalents of $1,296,000 at 30 June 2013 (2012: $680,000), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank counterparties with a credit rating of AA or better.

(iv) Interest rate swaps used for hedging

The Group minimises the risk that the counterparty will default on interest rate swaps by transacting with large financial institutions with credit rating of AA or better.

(v) Guarantees

The Group's policy is to provide financial guarantees to wholly owned subsidiaries (see Note 31). At 30 June 2013, no other guarantees were outstanding (2012: none).

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected net cash outflows over the succeeding 30 days. In addition, the Group maintains a level of undrawn finance facilities which are detailed in note 19.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

30 June 2013	Less than 6 months $000's	6-12 months $000's	More than 1 and less than 5 years $000's	More than 5 years $000's	Total $000's
Non-derivative financial instruments					
Trade accounts payable	6,359	-	-	-	6,359
Customer security bonds	18,114	9,175	-	-	27,289
Secured bank facilities	-	647	60,550	-	61,197
Corporate loan notes	-	-	-	30,000	30,000
Finance lease liabilities	265	264	1,544	-	2,073
Interest payments	2,472	2,471	10,804	1,275	17,022
	27,210	**12,557**	**72,898**	**31,275**	**143,940**
Derivative financial instruments					
Interest rate swaps used for hedging	1	-	-	-	1
	1	**-**	**-**	**-**	**1**

30 June 2012	Less than 6 months $000's	6-12 months $000's	More than 1 and less than 5 years $000's	More than 5 years $000's	Total $000's
Non-derivative financial instruments					
Trade accounts payable	4,667	-	-	-	4,667
Customer security bonds	15,382	6,256	-	-	21,638
Secured bank facilities	-	1,365	63,550	-	64,915
Finance lease liabilities	286	285	2,144	-	2,715
Interest payments	2,362	2,102	3,602	-	8,066
	22,697	**10,008**	**69,296**	**-**	**102,001**
Derivative financial instruments					
Interest rate swaps used for hedging	343	165	-	-	508
	343	**165**	**-**	**-**	**508**

The gross outflows disclosed in the previous table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are usually not closed out prior to contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash settled.

As disclosed in Note 19, the Group has a secured bank facility and corporate loan notes which contain debt covenants. A future breach of any covenant may require the Group to repay the facility or redeem the notes earlier than indicated in the above table. The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the period end and these amounts may change as market interest rates change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

As disclosed in Note 2(b), the Group holds customer security bonds as part of its business model. The repayment of these security bonds will normally be timed with the paying out of a contract or the return of rental assets.

(d) Market risk

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

The Group's exposure to market interest rates relates primarily to the Group's long-term debt obligations. The level of debt is disclosed in note 19.

As at 30 June 2013, the Group has the following fixed interest rate swaps:

Amount	Fixed rate	Start date	Maturity
$10 million	5.25%	1 July 2011	1 July 2013

The Group constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing, alternate hedging positions and the mix of fixed and variable interest rate.

At balance date, the Group had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk:

	2013 $000's	2012 $000's
Financial assets – current		
Cash	1,296	680
Financial liabilities – current		
Secured bank facilities	647	1,365
Financial liabilities – non current		
Secured bank facilities	60,550	33,550

At 30 June 2013, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

	Post tax profit		Equity	
	Higher/(lower)		Higher/(lower)	
	2013 $000's	**2012 $000's**	**2013 $000's**	**2012 $000's**
+0.5% (50 basis points)	(191)	(172)	-	-
-0.5% (50 basis points)	191	172	-	-

Fair value sensitivity analysis for fixed rate instruments

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

	2013 $000's	**2012 $000's**
Fixed interest rate swap carrying values		
Current financial asset	-	-
Current financial liability	(1)	(508)
Non-current financial liability	-	-

The swaps are measured at fair value based on the mark to market value quoted for forward interest rate swaps, and all gains and losses attributable to the hedged risk are taken directly into profit and loss.

The movement in the fair value of the interest rate swaps is as follows:

	2013 $000's	**2012 $000's**
Fair value at 1 July	(508)	(180)
Movement in fair value posted to profit or loss	507	(328)
Fair value at 30 June	**(1)**	**(508)**

At 30 June 2013, the carrying amounts of the Group's financial assets and liabilities approximates their fair value with the exception of the corporate loan notes which had a fair value of $31,232,000 and a carrying amount of $30,000,000.

(e) Capital management

The Board's policy is to maintain a strong capital base (which includes reserves and ordinary shares) so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income over average shareholders' equity. In 2013, return on average capital was 22.1% (2012:23.6%).

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group's gearing target includes:

- to fund no more than 70% of the carrying amount of the Group's rental assets by interest bearing debt. At 30 June 2013 this was calculated as follows:

	2013 $000's	2012 $000's
Interest bearing debt (current and non-current)	92,353	66,946
Carrying amount of rental assets (note 11)	173,526	129,245
Ratio of interest bearing debt to carrying amount of rental assets	**53%**	**52%**

- to maintain shareholder at around 30% of total assets. At 30 June 2013 this was calculated as follows:

	2013 $000's	2012 $000's
Total equity	58,171	45,216
Total assets	189,998	142,199
Ratio of total equity to total assets	**31%**	**32%**

- to maintain an adjusted debt to adjusted debt plus equity ratio of between 60% to 65%. For the purposes of this calculation, adjusted debt is calculated as interest bearing debt less cash. At 30 June 2013 this was calculated as follows:

	2013 $000's	2012 $000's
Interest bearing debt (current and non-current)	92,353	66,946
Less cash and cash equivalents	1,296	680
Adjusted debt	**91,057**	**66,266**
Total equity	58,171	45,216
Adjusted debt plus total equity	**149,228**	**111,482**
Adjusted debt to adjusted debt plus equity	**61%**	**59%**

To achieve these gearing targets, the Group will utilise various alternatives including the Dividend Reinvestment Plan or undertaking periodic equity raisings at the Board's discretion.

Notes to the consolidated financial statements

27. Auditor's remuneration

	2013 $	2012 $
Audit and review of financial reports	158,524	151,100
Services other than audit work – taxation services	-	9,459
– debt advisory services	10,000	-
– other services	6,136	-
Total	**174,660**	**160,559**

28. Contingencies

Bank guarantees totalling $336,509 exist as at 30 June 2013 (2012: $333,953).

29. Parent entity information

As at, and throughout the financial year ended 30 June 2013, the parent company of the Group was Silver Chef Limited.

	2013 $000's	2012 *Restated** $000's
Result of the parent entity		
Profit for the year	11,353	7,507
Other comprehensive income	-	-
Total comprehensive income for the period	11,353	7,507
Financial position of the parent entity at year end		
Current assets	21,522	10,226
Total assets	165,791	124,934
Current liabilities	6,973	5,111
Total liabilities	111,989	83,879
Total equity of the parent entity comprising of:		
Share capital	40,165	31,067
Retained earnings	13,637	9,988
Total equity	**53,802**	**41,055**

*Comparitive information has been restated to reflect that certain transactions with wholly owned controlled entities previously recorded as loans repaid should have been recorded as intercompany dividends.

29. Parent entity information (continued)

Parent entity contingencies

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

	2013 $000's	2012 $000's
GST liabilities of other entities within the GST group	57	148
Tax liabilities of other entities within the tax consolidation group	2,749	1,280

Parent entity guarantees in respect of debts of its subsidiaries

The parent entity is part of the Group's fixed and floating charge registered by Commonwealth Bank of Australia which secures the Groups' assets against the current banking facilities.

The parent entity has entered into a Deed of Cross Guarantee with the effect that the Company guarantees debts in respect of its subsidiaries.

Further details of the Deed of Cross Guarantee and the subsidiaries subject to the deed are disclosed in note 31.

30. Controlled entities

	Balance date	Country of incorporation	% of shares held	
			2013	2012
Silver Chef Finance Company Limited	30 June	Australia	100	100
Silver Chef Rentals Pty Ltd	30 June	Australia	100	100
GoGetta Equipment Funding Pty Ltd	30 June	Australia	100	100
Silver Chef Rentals Limited	30 June	New Zealand	100	100
GoGetta Equipment Funding Limited	30 June	New Zealand	100	100
Launch Point Pty Ltd	30 June	Australia	100	-
Silver Chef Rentals Inc	30 June	Canada	100	-

31. Deed of cross guarantee

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998, the wholly-owned subsidiary listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports, and Directors' reports.

It is a condition of the Class Order that the Company and the subsidiary enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiary has also given similar guarantees in the event that the Company is wound up.

In 2013, the subsidiaries subject to the Deed were Silver Chef Finance Company Limited, Silver Chef Rentals Pty Ltd and GoGetta Equipment Funding Pty Ltd.

A consolidated statement of comprehensive income and consolidated statement of financial position, comprising the Company and controlled entities which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, at 30 June 2013 is set out as follows:

Notes to the consolidated financial statements

For the year ended 30 June 2013

Statement of comprehensive income	2013 $000's	2012 $000's
Revenue	112,733	25,520
Expenses from ordinary activities	(84,046)	(13,309)
Finance costs	(6,817)	(5,027)
Change in fair value of derivative financial instruments	507	-
Change in fair value of properties	(151)	(325)
Loss on sale of plant and equipment	(5,770)	(2,465)
Loss on sale of properties	(12)	(171)
Profit before income tax	16,444	4,223
Tax expense	(5,092)	(1,415)
Profit for the year	**11,352**	**2,808**
Other comprehensive income	-	-
Total comprehensive income attributable to members of the parent	**11,352**	**2,808**

Statement of financial position	2013 $000's	2012 $000's
Assets		
Cash and cash equivalents	1,096	465
Trade and other receivables	3,715	1,532
Properties held for sale	1,306	2,199
Other assets	360	397
Total current assets	6,477	4,593
Trade and other receivables	3,513	64,965
Property plant and equipment	172,401	47,558
Intangibles	940	830
Deferred tax assets	5,449	813
Total non-current assets	182,303	114,166
Total assets	**188,780**	**118,759**
Liabilities		
Trade and other payables	33,752	5,634
Loans and borrowings	1,056	1,779
Current tax payable	2,749	1,279
Derivative financial instruments	1	-
Employee benefits	974	711
Total current liabilities	38,532	9,403
Non-current liabilities		
Trade and other payables	-	12,390
Loans and other borrowings	91,297	64,871
Employee benefits	946	488
Total non-current liabilities	92,243	77,749
Total liabilities	**130,775**	**87,152**
Net assets	**58,005**	**31,606**
EQUITY		
Share capital	40,165	31,067
Retained earnings	17,840	539
Total equity	**58,005**	**31,606**

32. Related parties

(a) Key management personnel compensation

The key management personnel compensation comprised:

	2013	2012
Short-term employee benefits	645,575	854,720
Other long-term benefits	51,011	171,844
Post-employment benefits	63,356	69,133
Share-based payments	2,000	3,000
	761,942	**1,098,697**

(b) Individual Directors and executives compensation disclosures

Information regarding individual Directors and executives' compensation and some equity instruments disclosures as required by Corporations Regulation 2M.3.03 is provided in the remuneration report section of the Directors' report.

Apart from the details disclosed in this note, no Director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year-end.

(c) Key management personnel and Director transactions

A number of Directors, or their related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Group in the reporting period. The terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis.

The aggregate amount recognised during the year relating to Directors and their personally-related entities, amounted to $339,000 (2012: $471,000). Details of the transactions are as follows:

	Transaction	Note	2013 $000's	2012 $000's
Bede King	Legal advice	(i)	89	69
Sophie Mitchell	Management and underwriting fees	(ii)	125	201
Karen Penrose	Management and underwriting fees	(iii)	125	201
			339	471

(i) Legal fees paid to Tobin King Lateef, a law firm in which Bede King is a partner. Services provided were on commercial terms.

(ii) Fees paid to RBS Morgans for services provided arising from the share issue on commercial terms.

(iii) Fees paid to Wilson HTM for services provided arising from the share issue on commercial terms.

(d) Movements in shares

The movement during the reporting period in the number of ordinary shares in Silver Chef Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

2013	Held 1 July 2012	Purchased	Options exercised	Employee share scheme	Share purchase plan	Dividend reinvest-ment plan	Sold	Held 30 June 2013
Directors								
Andrew Kemp	1,023,644	-	-	-	641	19,079	(41,192)	1,002,172
Allan English	9,424,872	-	-	-	641	-	(344,000)	9,081,513
Bede King	71,171	-	-	-	641	2,694	(14,506)	60,000
Sophie Mitchell	15,739	-	-	-	641	595	-	16,975
Karen Penrose[1]	7,231	3,205	-	-	641	-	-	11,077
Alternate Director								
Don Mackenzie	26,756	-	-	-	641	1,012	-	28,409
Senior Executives								
Charles Gregory	127,198	-	14,000	251	599	-	-	142,048
David Wilson	348	-	-	251	158	-	-	757
	10,696,959	**8,265**	**14,000**	**502**	**4,603**	**23,380**	**(399,698)**	**10,348,011**

2012	Held 1 July 2011	Purchased	Options exercised	Employee share scheme	Rights taken up	Dividend reinvest-ment plan	Held 30 June 2012
Directors							
Andrew Kemp	877,994	33,600	-	-	112,050	-	1,023,644
Allan English	9,387,416	-	-	-	37,456	-	9,424,872
Bede King	57,681	4,000	-	-	9,490	-	71,171
Sophie Mitchell	-	13,640	-	-	2,099	-	15,739
Karen Penrose[1]	-	5,400	-	-	1,831	-	7,231
Alternate Director							
Don Mackenzie	23,188	-	-	-	3,568	-	26,756
Senior Executives							
Charles Gregory[2]	40,850	-	86,000	348	-	-	127,198
Neil Burton	1,593	-	-	-	-	-	1,593
David Wilson[2]	-	-	-	348	-	-	348
	10,388,722	**56,640**	**86,000**	**696**	**166,494**	**-**	**10,698,552**

[1] Karen Penrose is the Chief Financial Officer and Chief Operating Officer of Wilson HTM Investment Group Ltd an entity which lodged a Notice of initial substantial holder on 30 March 2012 relating to 1,485,964 shares. Karen Penrose has no beneficial interest in the shares which are subject to that Notice.

[2] Issued to employees as part of the Company's exempt employee share scheme.

The movement during the reporting period in the number of options over ordinary shares in Silver Chef Limited held, directly, indirectly or beneficially, by each key management person, included their related parties, is as follows:

2013	Held at 1 July 2012	Lapsed	Exercised	Held at 30 June 2013	Vested at 30 June	Vested & Exercisable at 30 June	Vested & Un-exercisable at 30 June
Senior Executives							
Charles Gregory	64,000		(14,000)	50,000	50,000	50,000	

2012	Held at 1 July 2011	Lapsed	Exercised	Held at 30 June 2012	Vested at 30 June	Vested & Exercisable at 30 June	Vested & Un-exercisable at 30 June
Senior Executives							
Charles Gregory	150,000		(86,000)	64,000	64,000	64,000	

33. Events subsequent to balance date

A dividend of 14.5 cents per share, 100% fully franked was declared by the Directors on 26 August 2013. The dividend has not been provided for in the 30 June 2013 financial report.

Directors' Declaration

1. In the opinion of the Directors of Silver Chef Limited (the Company):
   (a) the consolidated financial statements and notes that are set out on pages 32 to 69 and the remuneration report in section 4.3 in the Directors' report, are in accordance with the Corporations Act 2001, including:
      (i) giving a true and fair view of the Group's financial position as at 30 June 2013 and of its performance, for the financial year ended on that date; and
      (ii) complying with Australian 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.
2. There are reasonable grounds to believe that the Company and the group entities identified in note 31 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Class Order 98/1418.
3. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2013.
4. The Directors draw attention to note 2(a) to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors.

Allan English
Chairman
Brisbane

26 August 2013

Independent Auditor's Report to the members of Silver Chef Limited

Report on the financial report

We have audited the accompanying financial report of Silver Chef Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2013, and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 33 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 2(a), the Directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

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

Independent Auditor's Report to the members of Silver Chef Limited

Independence

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

Auditor's opinion

In our opinion:

(a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Group's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

Report on the Remuneration Report

We have audited the Remuneration Report included in section 4.3 of the Directors' Report for the year ended 30 June 2013. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the Remuneration Report of Silver Chef Limited for the year ended 30 June 2013, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Simon Crane
Partner

Brisbane
26 August 2013

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

To: the directors of Silver Chef Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2013 there have been:

(a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Simon Crane
Partner

Brisbane
26 August 2013

ASX additional information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Shareholdings as at 13 August 2013

The number of substantial shareholders and their associates are set out below:

Shareholder	Number of ordinary shares
English Family Foundation <English Family Foundation A/C>	4,400,000
Tessana Pty Ltd < A English Family A/C>	4,399,955

Voting rights

Ordinary shares

Every holder of ordinary shares has the right to receive notices of, to attend and to vote at the general meetings of the Company. On a show of hands every shareholder present at a meeting in person or by proxy, attorney or representative is entitled to one vote and upon a poll each share is entitled to one vote.

Options

There are no voting or dividend rights attached to the options. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options have been exercised.

Distribution of security holders

Number of security holders

Category	Ordinary shares	Options
1 – 1,000	1,192	-
1,001 – 5,000	944	-
5,001 – 10,000	275	-
10,001 – 100,000	234	-
100,001 and over	24	-
	2,669	-

The number of shareholders with less than a marketable parcel of ordinary shares is 113.

On-market buy-back

There is no current on-market buy-back.

ASX additional information cont.

Twenty largest shareholders as at 13 August 2013

Name	Number of ordinary shares held	Percentage of capital held
English Family Foundation Pty Ltd <English Fam Foundation A/c>	4,400,000	15.30
Tessana Pty Ltd <A English Family A/c>	4,399,955	15.30
National Nominees Limited	1,693,696	5.89
J P Morgan Nominees Australia Limited	1,111,815	3.87
BNP Paribas Noms Pty Ltd <DRP>	1,081,947	3.76
HSBC Custody Nominees (Australia) Limited	980,383	3.41
Contemplator Pty Ltd <ARG Pension Fund A/c>	750,000	2.61
Ruminator Pty Ltd	750,000	2.61
Huntington Group Pty Limited <S A/c>	446,762	1.55
BNP Paribas Nominees Pty Ltd ACF Pengana <DRP A/C>	392,903	1.37
BT Portfolio Services Limited <Tessana Super Fund A/C>	281,558	0.98
Huntington Investment Services Pty Ltd <Huntington Investment A/c>	239,259	0.83
UBS Nominees Pty Ltd	235,389	0.82
Citicorp Nominees Pty Limited	209,161	0.73
Demandem Holdings Pty Ltd <Super Fund A/c>	165,325	0.58
Paraway Pty Ltd	165,131	0.57
Illabarook Pty Ltd	150,641	0.52
Mr Charles Gregory	140,850	0.49
Huntington Group Pty Limited	135,130	0.47
Aust Executor Trustees Ltd <DS Capital Growth Fund>	130,925	0.46
	17,860,830	62.10

Silver Chef Limited

ACN 011 045 828

Company Directory

Non-executive Directors

Allan English (Chairman)
Karen Penrose (Deputy Chairman)
Andrew Kemp
Bede King
Sophie Mitchell

Chief Executive Officer

Charles Gregory

Chief Financial Officer

David Wilson

Alternate Director

Don Mackenzie

Company Secretary

Don Mackenzie

Registered office and principal place of business

20 Pidgeon Close
West End Qld 4101
Telephone: 07 3335 3300
Facsimile: 07 3335 3399
Website: www.silverchefgroup.com.au

Auditors

KPMG

Solicitors

McCullough Robertson
Tobin King Lateef

Share Register

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
Phone: 1300 737 760
Fax: 1300 653 459
Website: www.boardroomlimited.com.au

Securities Exchange

The Company is listed on the Australian Securities Exchange. The Home Exchange is Brisbane.

Code: Shares – SIV

Other information

Silver Chef Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

SILVER CHEF LIMITED
ACN 011 045 828

Registered Office

Park Tower,
20 Pidgeon Close
West End QLD 4101

PO Box 1760,
Milton BC 4064

P **+61 7 3335 3300**
E admin@silverchefgroup.com.au

ASX Code: SIV