Appendix 4E
Silver Chef Limited
Preliminary Final Report
FINANCIAL YEAR ENDED 30 JUNE 2015

1 Details of the reporting period and the previous corresponding period

Current period: 1 July 2014 to 30 June 2015
Previous corresponding period: 1 July 2013 to 30 June 2014

2 Results for announcement to the market

		Year ended 30 June 2015 $'000	Year ended 30 June 2014 $'000	Change from previous corresponding period $'000	Change from previous corresponding period %
2.1	Total revenue	171,015	141,326	29,689	21.0
2.2	Profit from ordinary activities after tax	15,531	12,701	2,830	22.3
2.3	Net profit attributable to members	15,531	12,701	2,830	22.3

		Amount per security	Franked amount per security
2.4	**Dividends per ordinary shares**		
	Interim 2015	16.0 cents	100%
	Final 2015 (declared, not yet provided at 30 June 2015) payable on 17 September 2015	20.0 cents	100%

2.5 Record date for determining entitlements to the final dividend — 7 September 2015

2.6 Brief explanation of revenue, net profit and dividends
Refer to the 2015 annual report

3 Statement of comprehensive income
Refer to the 2015 annual report

4 Statement of financial position
Refer to the 2015 annual report

5 Statement of cash flows
Refer to the 2015 annual report

6 Statement of changes in equity
Refer to the 2015 annual report

7	**Details of dividend payments**	Amount per security	Total amount paid $'000	Date of payment
	Year ended 30 June 2015			
	Final 2014	16.0 cents	4,716	26 September 2014
	Interim 2015	16.0 cents	4,742	24 March 2015

8 Dividend or distribution plan details
The Company's Dividend Reinvestment Plan remains in place.

9	**Net tangible assets per security**	Year ended 30 June 2015 (cents)	Year ended 30 June 2014 (cents)
	Ordinary shares	266	228

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.

11 Investment in associates and joint venture entities

Not applicable

12 Other significant information
Refer to the 2015 annual report

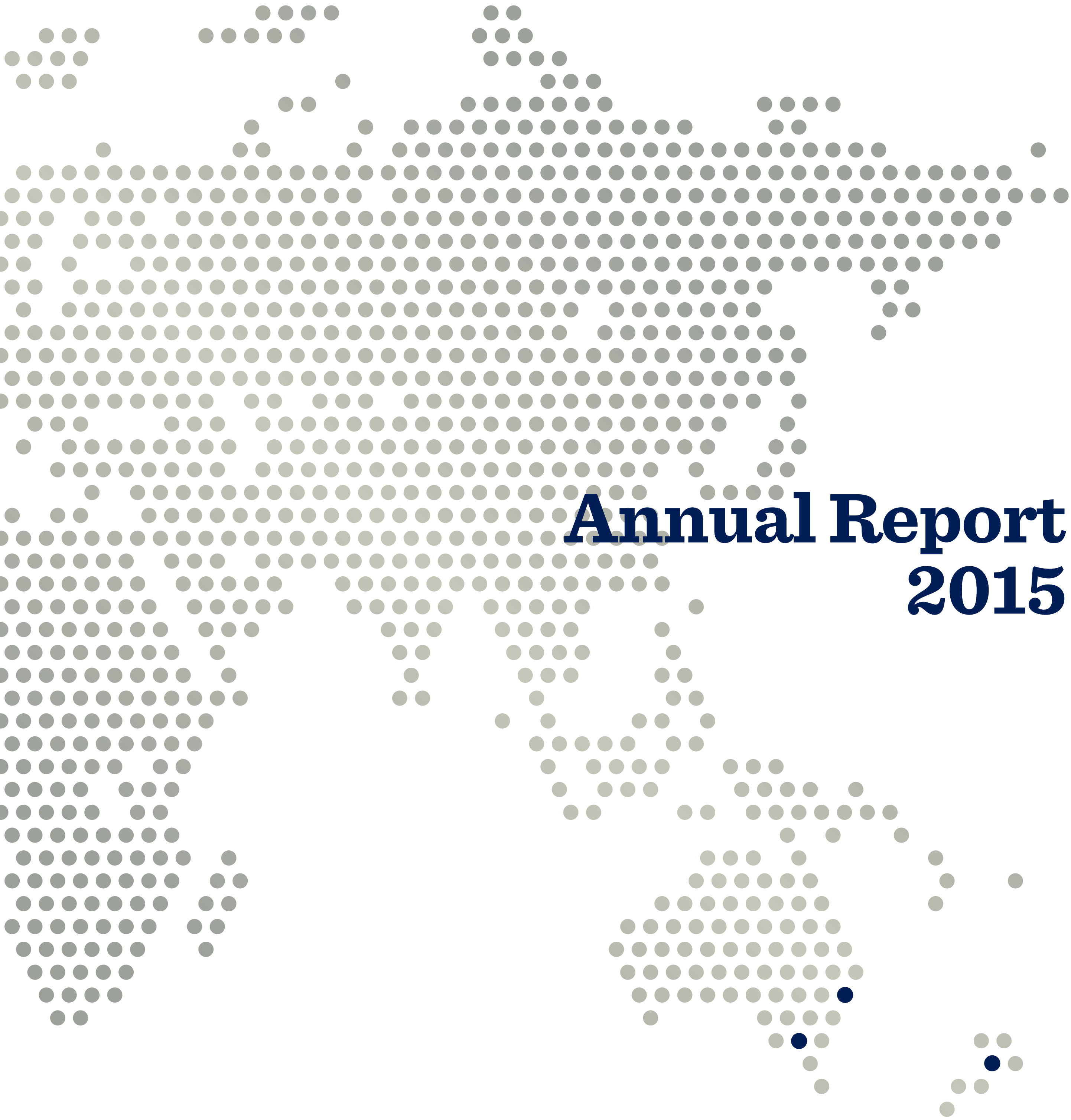
13 Foreign entities, applicable accounting standards used
Refer to the 2015 annual report

14 Commentary on the results for the financial year
Refer to the 2015 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 2015

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hospitality equipment funding
your recipe for success

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Silver Chef Limited Annual Report 2015

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Executive Chairman's report
For the year ended 30 June 2015

Silver Chef Limited (referred to in this report as either "the Company" or "the Group") has celebrated its 10^{th} year as a public Company. I am delighted to report that our net profit after tax is 40% greater than the total capitalisation of the Company when it listed in 2005. Our team delivered a strong result for the year with a net profit after tax growth of 22% and a 20% growth in the Company's rental asset base (including lease receivables) which resulted in improvement in gross revenue of 21% year on year.

Highlights

- Rental asset acquisitions up 29% to $177.3 million
- Revenue up 21% to $171.0 million
- Rental assets (at cost) and lease receivables up 20% to $358.4 million
- EBIT up 21% to $30.0 million
- Profit (after tax) up 22% to $15.5 million
- Earnings per share (EPS) up 20% to 51.9 cents
- Net assets up 24% to $84.0 million

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 for 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 the Company has been built around a number of factors which provide clear competitive advantages:

- Experience – the Company has been providing its core business equipment funding model for 29 years
- Customers – 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 members with a strong personal commitment to achieving growth which builds value for shareholders
- Risk management – credit and asset management processes effectively manage risks associated with customer defaults
- Partnerships – established strong partnerships within the hospitality and equipment sectors and continue to develop these and build new partnerships

GoGetta

The GoGetta team had a record breaking year. Particularly strong markets for the Company were in Queensland and New South Wales. Our strategy has been to go deep and be more effective in two major segments of the business, being transport and construction. In the transport sector, we have increased our business in the traditional truck and trailer market, but also opened up opportunities within the light commercial sector. This is with a particular focus on tradesman vehicles and courier sectors, providing an important equipment funding solution for small business. The light commercial transport sector contributed strongly to total asset pool growth this year.

Hospitality

The restaurant and café sector has performed strongly again this year with 16% growth in Hospitality revenue, which is pleasing considering we have had a number of new competitors entering the hospitality space. We are pleased that the strength of our current dealer relationships and customer focus satisfaction levels have ensured we are able to maintain and continue to grow our business in this important sector.

Long Term Rentals

A new hospitality product was established during the year to focus transitioning existing rental customers onto long term and more traditional funding options, which has led to our lease receivable book growing significantly from $11.5 million to $30.6 million. The significant benefit for the Company is both longer term income streams and also lowering our asset reconditioning and disposal cost through reduced asset returns.

New Zealand

New Zealand had an improved year, doubling its previous year's profit contribution. We have now established a customer service division and office in Auckland and expanded our staff to support further growth in the coming year.

Canada

We have been delighted with the performance of the Canadian business (based in Vancouver, British Columbia) which is performing slightly ahead of plan. New sales offices were established in Alberta and Ontario during the year and we also appointed a new Franchise Manager to focus in on the large franchise sector. It was pleasing to have achieved a cash break even position for the Canadian operation this year and we are budgeting for a positive net accounting profit contribution in the 2016 financial year.

Funding

In March 2015, the Company completed a $9.0 million placement to institutional and sophisticated investors. We were delighted to receive a strong level of support from existing institutional shareholders and also welcomed several new institutional investors onto the Company's share register.

On 3 August 2015, Silver Chef executed agreements to establish a new $300 million syndicated banking facility which significantly improved the key terms and conditions of Silver Chef's debt funding arrangements, including reducing pricing and increasing capacity to fund future growth. The new syndicated facility creates a staggered debt maturity profile over three years ($175 million limit) and five years ($125 million limit). The syndicate arrangements also provide the flexibility for the Group to borrow directly in New Zealand and Canadian dollars from overseas branches of the syndicate banks thereby mitigating some foreign exchange risk and minimising interest withholding taxes.

The Board also advised at this time its intention to redeem all of the 8.50% Fixed Interest Corporate Notes with a face value of $30 million. These notes will be redeemed on 14 September 2015 at a premium to face value of 103%.

Outlook

A recent IBIS World research update reported that the Australian hospitality industry has prospered on the back of changing social trends which have fueled strong growth for the restaurant industry over the last five years. Busier lifestyles and diminishing leisure time have increased consumer appetite for convenient dining out solutions. Restaurants have allowed consumers to combine dining with leisure and avoid spending time on food preparation. This trend is expected to continue in coming years, with the restaurant and café sector expected to grow from a currently combined annual turnover of around $16.5 billion dollars. While it is a very competitive industry, the expectation is that consumer demand will continue to drive positive growth in the coming years.

With the lowering of the Australian dollar, we believe that tourism growth numbers will increase, which will have a positive aspect for the hospitality sector in which the Company operates.

Silver Chef is also expanding into new sectors not previously serviced by the Company, which include Government and Aged Care facilities.

We are budgeting for further growth in our franchising business with the introduction of some new products which are based around more traditional long term financing arrangements. This will give the Company more predictable income streams into the future years.

GoGetta prospects for the coming year are strong as our network of finance brokers, who are our distribution channel to

market, continues to grow. This has increased the awareness of the flexible options provided under our Rent Grow Own product with a 12 month term at a higher degree of flexibility to match small business needs rather than a four year term secured by residential property offered by competitors.

People and Culture

For many years the Company has won awards for Employer of Choice and Great Places to work. Silver Chef continued to distinguish itself as an employer of choice through expanding its focus on Corporate and Social Responsibility objectives during the year. The Company is serious about making a difference to its stakeholders and the wider community, and conducting its activities to the highest levels of social, environmental and economic sustainability.

During the year Silver Chef gained accreditation as a B Corporation. As a B Corp we have been through a rigorous external review of the whole business, our products, our people, values, governance and sustainability along with social purpose. In simple terms it is like a "Fair Trade Coffee" accreditation but for business not just coffee. We will be joining over 1,300 companies in 41 countries who have gained certification.

The B Corp accreditation will allow the Company to continue to attract great talent but also provide a greater alignment to our customers who are seeking to work with partners who not only want to be best in the world at what they do but also be best for the world. We believe a growing number of investors seek to invest in companies that explicitly create value for both the shareholders and society.

Further information around Silver Chef's approach to Corporate and Social Responsibility, and in particular its B Corporation accreditation status are set out on page five.

I would like to thank the leadership team and our wonderful staff for their great contribution to the result this year. My thanks also to our board members for their ongoing support and wise counsel.

Allan English
Executive Chairman

24 August 2015

Corporate and Social Responsibility

Silver Chef always strives to conduct itself in ways that produce social, environmental and economic benefits for communities in Australia and around the world. We believe part of the measure of our success is based on our contribution to building a fairer, more equitable society. We take a particular focus on supporting organisations and initiatives that help to improve the lives of the economically and socially disadvantaged. Our commitment to building a business which is focussed on more sustainable global benefits than economic profitability is important to our long term corporate success and plays an important role in improving our reputation, enhancing employee morale and identifying new growth opportunities.

B Corporation

The B Corporation certification is a validation of Silver Chef's commitment to social and environmental responsibility. It reinforces that, as a business, our core values & culture, which encompass helping others, are as much of a focus as bottom line profitability. The recognition will enable us to create a strategy that will ensure our social impact can be shared and expanded.

Silver Chef became a Certified B Corporation in June 2015. B Corps are a new type of company that uses the power of business to solve social and environmental problems and are formally certified by the non-profit B Lab. The B-Lab certification is a third party rigorous assessment that explores a company's governance, transparency, environmental and social impact. By being a B Corp Silver Chef voluntarily holds itself to a high level of accountability in those areas.

B Lab certification applies to the whole company across all product lines and issue areas. Today, there is a growing community of over 1,300 Certified B Corps from more than 41 countries and 121 industries working together toward one unifying goal: to redefine success in business.

By voluntarily meeting higher standards of transparency, accountability, and performance, Certified B Corps are distinguishing themselves in a cluttered marketplace by offering a positive vision of a better way to do business.

More information on B Corporation and the meaning of Silver Chef's B Corporation's accreditation can be found at www.bcorporation.com.au.

Opportunity International

Silver Chef's corporate social responsibility is also fulfilled through the Company's association with Opportunity International Australia (Opportunity). 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 Founder and Executive Chairman, through his personal participation and that of the English Family Foundation (which is now the largest shareholder in the Company), is a major supporter of Opportunity.

Opportunity provides small loans to families living in poverty, predominantly to mothers. Silver Chef on the other hand provides equipment funding to small business operators across many sectors in Australia, New Zealand and Canada. 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 small loans (microfinance) to help them start or grow their own small businesses. This enables them to earn regular incomes 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.

More information about Opportunity International Australia's contribution to developing countries can be found at www.opportunity.org.au.

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 2015 and the auditor's report thereon.

1 Directors

The Directors of the Company at any time during or since the end of the financial year are:

Name and qualifications	Experience, special responsibilities and other Directorships
Allan English Age 60 Executive Chairman	The founder of Silver Chef Limited, Allan has had extensive experience in the hospitality and rental industry with over 30 years in equipment sales, service and rental sectors. Allan was the Managing Director from 1986 to June 2010 after which he was appointed Non-executive Chairman. Allan was re-appointed Executive Chairman on 13 February 2014. He also is active in the not for profit sector and acts as a Director for English Family Foundation.
Andrew Kemp Age 64 B.Comm, CA	Appointed a Director and Chairman in February 2005 at the time of listing, and resigned as Chairman on 30 June 2010. Andrew heads 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). Formerly a director of G8 Education Limited (from March 2011 to March 2015) and Trojan Equity Limited from March 2005 until March 2013. Andrew is an independent non-executive director, Chairman of the Audit & Risk Management Committee and a member of the Remuneration Committee and Finance Committee.
Bede King Age 59	Appointed a Director in March 2005. Bede 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 and QInvest 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 a not-for-profit organisation. Bede is an independent non-executive director and Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee.
Sophie Mitchell Age 48 B Econ, GAICD, SF Fin.	Appointed a Director in September 2011. Sophie's career has been in the financial sector and is currently a Director of Morgans Financial Limited. Previous roles have included Head of Research and senior analyst with Morgans' predecessor company ABN AMRO Morgans and Portfolio Manager for Seymour Wealth Management. Sophie is a Member of the Takeovers Panel and a board member the Australia Council for the Arts, a Director of the Morgans Foundation and of ASX-listed Flagship Investments Limited (appointed June 2008), and a Trustee of the Queensland Performing Arts Trust. Sophie is an independent non-executive director and Chairman of the Finance Committee and was appointed to the Audit & Risk Management Committee and Remuneration Committee on 27 February 2015.
Patrick Tapper Age 53 FAICD	Appointed in August 2015, Patrick has had over 25 years' experience in the telecommunications, technology, media, and entertainment industries, most notably as Executive Director and Chief Executive Officer of national broadband company, Internode. He commenced with Internode in 1998 when it was a small business and was appointed Chief Executive Officer in 2008. Patrick currently serves as a Non-Executive Director of Service to Youth Council Limited ("SYC"), a non-government, not-for-profit community service organization. Patrick sits on a number of SYC Board committees including Audit, Remuneration and is Chair of their ICT committee. He was also recently appointed to the board of Acurus Pty Ltd, a leading Australian IT consulting and solutions provider based in Melbourne. Patrick is a former Governor of the American Chamber of Commerce (Amcham) in South Australia, and a former Chairman at Executive Boards Australia, which provides advisory board facilitation, leadership, HR & marketing services.
Karen Penrose	Appointed in 14 September 2011 and resigned in 27 February 2015.

2 Company Secretary

Don Mackenzie
Age 70

Mr Don Mackenzie was appointed Company Secretary in November 2010, and acts in a part time capacity. He commenced his professional career with a Chartered Accounting firm, and in 1976 commenced employment in a senior accounting role with a Queensland based ASX listed company. In 1993 he commenced practice as a Chartered Accountant providing corporate services predominantly to public companies until 2008 after which he acted in a personal capacity. He also acts or has acted as Company Secretary for several listed and unlisted public companies. Until March 2014 he was a Director (appointed March 2004) of Aveo Healthcare Limited (formerly Forest Place Group Limited). He is also the Secretary to all Board Committees.

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	13	13	-	-	-	-	-	-
Karen Penrose	9	9	4	5	3	4	-	-
Andrew Kemp	13	13	5	5	4	4	3	3
Bede King	12	13	5	5	4	4	3	3
Sophie Mitchell	13	13	1	1	3	4	3	3

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 Executive Chairman;
- evaluating the performance of the Executive Chairman;
- 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, 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 & Risk Management Committee, Remuneration Committee and Finance Committee with a summary of the activities of each included in this report.

The Charter also provides for the Board to delegate to the Executive Chairman, 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 and social responsibility – including compliance with social, ethical and environmental practices.

Board meetings

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

The Company's Non-executive directors only receive 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 are set at a maximum of $310,000 per annum in the aggregate.

4.1 Board of Directors (continued)

Skills and independence

The Board ensures, in the selection and appointment of proposed Board members, that a diverse range of candidates is 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 a regular 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.

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 Executive 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.

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 Constitution also provides that where a Director is appointed by the Board, that person will stand for election at the Annual General Meeting following their appointment.

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 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 Charter states that the Committee is to comprise at least three non-executive directors. In the period under review the Committee members were Andrew Kemp, Bede King, Sophie Mitchell and Karen Penrose (resigned 27 February 2015). The Company Secretary serves as Secretary to the Committee.

The Charter provides that the Executive Chairman 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 including oversight of diversity objectives 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 relating to the Company's Directors and Senior Executives who comprise the key management personnel of the Group for the year ended 30 June 2015.

Directors

Allan English	Executive Chairman
Andrew Kemp	Non-executive Director
Bede King	Non-executive Director
Sophie Mitchell	Non-executive Director
Patrick Tapper	Non-executive Director (appointed 31 July 2015)
Karen Penrose	Non-executive Deputy Chairman (resigned 27 February 2015)

Senior Executives

Doug McAlpine	Chief Financial Officer (appointed 28 August 2014)
David Wilson	Chief Financial Officer (resigned 28 August 2014)

(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.

4.3 Remuneration report - audited (continued)

Performance linked remuneration

Performance linked remuneration includes both short-term and long-term incentives, and is designed to reward executives for meeting or exceeding corporate financial and personal performance 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 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 payable based on achieving growth in earnings per share (EPS) in excess of 10% per annum. The level of bonus attainable by members of the scheme increases in steps between the minimum at 10% per annum and is capped at maximum of 21% EPS growth. If greater than 21% compound EPS growth is achieved over a 4 year period, an eligible employee will earn a maximum LTI bonus equal to 40% of their base remuneration.

50% of any benefit earned is payable each year with the remainder held back to be paid based on achieving compound growth in EPS over a four year period of greater than 10% per annum. 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 which is linked directly to shareholder value.

Short-term and long-term incentive structure

The Remuneration Committee considers that the above performance-linked remuneration structure generates the desired outcome. The evidence for this is the growth in profits and earnings per share over a five year period.

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.

	2015	**2014**	**2013**	**2012**	**2011**
Net profit after tax $'000	**15,531**	12,701	11,449	8,991	6,691
Basic earnings per share (EPS) (cents)	**51.9**	43.4	41.5	37.4	29.7
Dividends paid $'000	**9,458**	8,286	7,704	4,763	4,207
Closing share price at year end	**$8.03**	$5.07	$7.38	$3.33	$3.46

Net profit after tax 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.

4.3 Remuneration report - audited (continued)

Share based incentive

A share based incentive scheme is in place 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. In the FY15 year, the value of the shares gifted in respect of the FY14 financial year was $500 (FY13: $500) per eligible employee, resulting in the issue of 4,880 shares.

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 subject to, minimum service requirements including 12 months employment with the Company.

Shares issued under the incentive scheme are allotted for a price equal to the volume weighted average price of shares on ASX on the five trading days up to and including the day of issue. The number of shares issued is rounded down to the nearest whole number.

Employment contract – Executive Chairman (commencing 13 February 2014)

On the 13 February 2014, Silver Chef announced that Charles Gregory resigned from his role as Chief Executive Officer effective immediately and that Allan English would return to the business as Executive Chairman with immediate effect.

On 13 February 2014 Mr English entered into a short term contract of employment with the Company the principal terms of which included: total remuneration comprising a fixed annual salary of $405,000, inclusive of any obligations under the superannuation guarantee legislation and in substitution of his $80,000 fee as Non-Executive Chairman. There were no short or long term bonus entitlements linked to this employment arrangement.

In March 2015, the Board agreed that Mr English would continue full time in the role of Executive Chairman until a suitable candidate for the Chief Executive Officer position was identified. The Board entered into an amended contract of employment with Mr English which took effect from 1 January 2015. The principal terms of that contract included: base remuneration comprising a fixed annual salary of $600,000, inclusive of any obligations under the superannuation guarantee legislation. Once a suitable candidate for the Chief Executive Officer role is identified and integrated into the business, Mr English will transition back to the role of Non-Executive Chairman. At this time, Mr English's remuneration will return to Non-Executive Chairman's fees.

Mr English is also eligible to participate in the Company's LTI scheme described above. However on the assumption that Mr English transitions back to the Non-Executive Chairman role in the short to medium term, the Board has elected to pay 100% of his LTI entitlement in the year and not hold back the 50% retention linked to four years compound EPS growth. The contract is capable of termination within three months by either party, and in the event of termination or resignation, Mr English is entitled to any statutory entitlements to annual leave and long service leave, if applicable.

In establishing the remuneration arrangements for the Executive Chairman, the Remuneration Committee completed a salary benchmarking exercise using independent advice by The Executive Shortlist Pty Ltd ("ES"). ES was paid $900 for the salary benchmarking services and provided no other services during the period. ES's services were provided under terms agreed between ES and the Remuneration Committee and the findings of which were provided directly to the Remuneration Committee and not made available to Mr English. The Board undertook its own inquiries and is satisfied that the salary benchmarking exercise conducted by ES was free from undue influence.

Employment contracts – Senior Executives

The Chief Financial Officer has a service agreement which is capable of termination within six 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 $310,000 in the aggregate, which was approved at the Annual General Meeting held on 24 October 2013.

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:

4.3 Remuneration report – audited (continued)

		Short-term			Long-term		Post-employment		Shared based			
In dollars		Salary & fees	Non-monetary benefits	STI cash bonus	Long service leave	LTI cash bonus	Super-annuation	Termination benefits	Options and rights	Total	Proportion of remuneration performance related	S300A Value of options as proportion of remuneration %
Directors												
Allan English[1]	**2015**	**464,232**	**7,556**	**185,693**	**-**	**-**	**34,999**	**-**	**-**	**692,480**	27%	-
	2014	180,885	-	-	-	-	16,732	-	-	197,617	-	-
Andrew Kemp	**2015**	**50,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**50,000**	-	-
	2014	50,000	-	-	-	-	-	-	-	50,000	-	-
Bede King	**2015**	**50,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**50,000**	-	-
	2014	50,000	-	-	-	-	-	-	-	50,000	-	-
Sophie Mitchell	**2015**	**46,605**	**-**	**-**	**-**	**-**	**3,395**	**-**	**-**	**50,000**	-	-
	2014	46,605	-	-	-	-	3,395	-	-	50,000	-	-
Karen Penrose[2]	**2015**	**37,473**	**-**	**-**	**-**	**-**	**3,520**	**-**	**-**	**40,993**	-	-
	2014	74,576	-	-	-	-	5,092	-	-	79,668	-	-
Total Directors	**2015**	**648,310**	**7,556**	**185,693**	**-**	**-**	**41,914**	**-**	**-**	**883,473**		
Remuneration	**2014**	**402,066**	**-**	**-**	**-**	**-**	**25,219**	**-**	**-**	**427,285**		

[1] In the current year, all fees paid to Allan English related to his role as Executive Chairman. In the prior year, fees paid to Allan English include Non-executive Chairman fees of $46,859 and Executive Chairman fees of $150,758

[2] In the prior year, fees paid to Karen Penrose include Non-executive Director fees of $60,138 and consulting fees of $19,530

4.3 Remuneration report – audited (continued)

		Short-term			Long-term		Post-employment		Shared based				
In dollars		**Salary & fees**	**Non-monetary benefits**	**STI cash bonus**	**Long service leave**	**LTI bonus**	**Super-annuation**	**Termination benefits**	**Options and rights**	**Shares and units**	**Total**	**Proportion of remuneration performance related**	**S300A Value of options as proportion of remuneration %**
Senior executives													
Doug McAlpine CFO	**2015**	**296,807**	**-**	**59,361**	**-**	**52,519**	**28,196**	**-**	**-**	**-**	**436,883**	**26%**	**-**
(appointed 28 August 2014)	2014	-	-	-	-	-	-	-	-	-	-	-	-
David Wilson CFO [1]	**2015**	**62,317**	**-**	**4,363**	**-**	**14,868**	**5,989**	**-**	**-**	**-**	**87,537**	**22%**	**-**
(resigned 28 August 2014)	2014	154,399	-	64,842	-	(56,086)	20,280	-	-	500	183,935	5%	-
Total senior executives	**2015**	**359,124**	**-**	**63,724**	**-**	**67,387**	**34,185**	**-**	**-**	**-**	**524,420**		
Remuneration	**2014**	154,399	-	64,842		(56,086)	20,280	-	-	500	183,935		

[1] The negative amount for the LTI bonus disclosed for David Wilson in 2014 represents the reversal of prior year accruals which at the end of the scheme, were not deemed payable.

4.3 Remuneration report – audited (continued)

Analysis of bonuses included in remuneration - audited			
	Short-term incentive bonus	Long-term incentive bonus	Total performance related remuneration
	Vested in year	*Deferred*	
Allan English	185,693	-	185,693
Doug McAlpine	59,361	52,519	111,880
David Wilson	19,231	-	19,231

Amounts paid as short-term incentive bonuses vested during the year.

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, included their related parties, is as follows:

2015	Held 1 July 2014	Purchased	Options exercised	Employee share scheme	Sold	Dividend reinvest-ment plan	Net change other	Held 30 June 2015
Directors								
Allan English	9,091,340	-	-	-	(99,999)	-	-	8,991,341
Andrew Kemp	1,008,672	-	-	-	-	-	-	1,008,672
Bede King	78,049	-	-	-	-	3,921	-	81,970
Sophie Mitchell	21,574	-	-	-	-	1,085	-	22,659
Karen Penrose	12,577	-	-	-	-	-	(12,577)	-
Senior Executives								
Doug McAlpine	-	-	-	-	-	-	-	-
David Wilson	1,031	-	-	-	-	-	(1,031)	-

Individual Directors and executives compensation disclosures

Apart from the details disclosed in this report, 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.

4.3 Remuneration report – audited (continued)

Key management personnel and Director transactions

Directors, or their related entities, hold or held positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. These entities transacted with the Group in the reporting period in relation to legal advice and capital raising in the normal course of business and reflect long standing relationships between the Group and those entities. 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. Karen Penrose resigned from Wilson HTM Investment Group Ltd in January 2014 and from Silver Chef in February 2015.

The aggregate amount recognised during the year relating to Directors and their personally-related entities, amounted to $215,111 (2014: $175,843). Details of the transactions are as follows:

	Transaction	Note	2015 $	2014 $
Bede King	Legal advice	(i)	102,611	69,647
Sophie Mitchell	Management and underwriting fees	(ii)	112,500	53,098
Karen Penrose	Management and underwriting fees	(iii)	-	53,098
			215,111	**175,843**

(i) Legal fees paid to Tobin King Lateef, a law firm in which Bede King is a partner. Services provided were on commercial terms as one of the Company's panel of legal firms.
(ii) Fees paid to Morgans, a company in which Sophie Mitchell is a director, for services provided jointly with Wilson HTM Investment Group Ltd, arising from capital raising on commercial terms.
(iii) Fees paid to Wilson HTM Investment Group Ltd for services provided jointly with Morgans arising from capital raising on commercial terms. Karen Penrose resigned from Wilson HTM Investment Group Ltd in January 2014, and resigned from the Company in February 2015.

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 were Andrew Kemp, Bede King and Sophie Mitchell. 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 including oversight of the internal audit function;
- 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.

4.4 Audit and risk management committee (continued)

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 Charter provides that the Executive Chairman 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 2015 annual financial statements, Silver Chef's Executive Chairman 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.

4.5 Finance Committee

At the date of this report, the members of the Company's Finance Committee are Sophie Mitchell and Andrew Kemp. 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 Charter provides that the Executive Chairman 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 Executive Chairman or his delegate 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;
- reports to the Board from the internal auditor on internal controls;
- 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
- any Director may request that operational and project audits be undertaken by management.

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 25 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 minimise control procedures that restrict initiative and creativity.

4.6 Risk management (continued)

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 Corporate Governance Charter.

4.8 Diversity

The Board is committed to having an appropriate blend of diversity for its Key Management Personnel. The Board has established a policy regarding gender, age, ethnic and cultural diversity. The key elements of the diversity policy are to work towards:

- increased gender diversity in the Board and senior management positions; and
- an annual assessment by the Board of performance against the objectives.

Gender representation	June 2015		June 2014	
	Female %	Male %	Female %	Male %
Board representation	25%	75%	40%	60%
Leadership Team representation	30%	70%	40%	60%
Group representation	54%	46%	56%	44%

4.9 Trading in Silver Chef shares

Under the Company's Securities Trading Policy 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.

4.10 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 Executive Chairman and Chief Financial Officer 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 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 the rental and financing of commercial equipment. There have been no changes in the nature of the activities in the year.

6 Operating and financial review

Silver Chef Limited (referred to in this report as either "the Company" or "the Group") is a commercial equipment rental and financing company which provides flexible equipment funding solutions to small and medium sized businesses. The Group operates through two main segments:

- Silver Chef (Hospitality) which provides commercial equipment rental and financing solutions to small and medium sized businesses in the hospitality industry. Customer sectors in the Hospitality business include coffee shops, takeaway stores, independently owned restaurants and franchises.

  Silver Chef operates in Australia, New Zealand and Canada.

- GoGetta which provides commercial equipment rental and financing solutions to small and medium sized businesses in industries other than the hospitality industry. GoGetta was formed in 2007 to diversify the Group's industry exposure. GoGetta will provide flexible funding solutions to a range of industry sectors, however the majority of the Group's customers operate in the transport, light commercial vehicle and light construction sectors. GoGetta operates only in Australia.

Financial performance

The Group's financial performance for the year was pleasing, delivering 22% growth in net profit after tax.

Group revenue for the 2015 financial year increased by 21% on the previous corresponding period. Rental revenue for the Group is derived from growth and efficient utilisation of the rental asset book. Interest income included in gross revenue is generated from those equipment rental arrangements that qualify as finance leases for accounting purposes. The Company experienced strong growth in its finance lease book during the year through increased focus on converting customers to long term financing arrangements at the end of the initial 12 month rental term.

Hospitality revenue grew 16% from $94.6 million to $110.1 million. Of this revenue, $97.6 million was generated by contracts in Australia and the remainder by contracts in New Zealand and Canada. Growth in the New Zealand and Canadian rental asset bases during the year was pleasing given their relatively small starting positions. Domestic growth in the hospitality business was in line with expectations, but reflecting greater levels of competition and a gradually maturing marketplace. The Canadian business contributed only a small EBITDA loss for the year of $0.1 million before tax. More importantly however, the EBITDA contribution as a percentage of asset cost improved slightly year on year reflecting improved utilisation of the Company's asset base and more efficient leveraging of the Company's overhead structure. This trend is expected to continue moving forward. New Zealand had an improved year, doubling its previous year's profit contribution.

GoGetta revenue grew 31% from $43.9 million to $57.4 million. The rate of revenue growth in the GoGetta business was driven by a return to growth in acquisitions which arose out of refocussing our sales efforts in the transport and vehicle sectors. EBITDA as a percentage of gross revenue decreased in the 2015 financial year, mainly due to the high volume of contract establishment costs expensed upfront in the GoGetta business in line with higher acquisition volumes. The revenue earned from these contracts is recognised in forthcoming accounting periods.

Bad debts and asset impairment costs increased in FY15 normalising to more sustainable levels in light of the Company's risk profile and underlying business growth. Asset impairment charges for the year included one-off adjustments of approximately $1.0 million before tax relating to additional provisioning against rental asset associated with aged arrears positions.

Overhead and employee cost growth slowed during the year as investment to establish the Melbourne asset reconditioning facility and the New Zealand and Canadian offices are largely completed. The Company expects to deliver strong growth to the asset base moving forward with relatively modest growth to its overhead structure. The business benefited through the year from low underlying interest rates.

6 Operating and financial review (continued)

Key financial performance information	2015 $'000's	2014 $'000's	2013 $'000's	2012 $'000's
Rental income	**162,952**	138,631	114,148	84,028
Lease interest	**8,028**	2,586	-	-
Other income	**35**	109	226	185
Total revenue	**171,015**	141,326	114,374	84,213
Depreciation and amortisation expense	**(70,194)**	(62,189)	(49,234)	(34,773)
Loss on sale of rental assets	**(6,089)**	(5,405)	(4,476)	(3,455)
Impairment of rental assets	**(6,716)**	(6,274)	(3,504)	(2,249)
Bad debt expense	**(4,504)**	(1,564)	(652)	(623)
Expenses from ordinary activities	**(27,974)**	(22,754)	(18,265)	(13,397)
Employee expenses	**(25,470)**	(18,258)	(14,845)	(11,605)
Finance costs	**(7,779)**	(6,950)	(6,817)	(5,027)
Profit before income tax expense	**22,289**	17,932	16,581	13,084
Income tax expense	**(6,758)**	(5,231)	(5,132)	(4,093)
Profit for the year	**15,531**	12,701	11,449	8,991
Basic earnings per share	**51.9 cents**	43.4 cents	41.5 cents	37.4 cents

Rental asset base

The key drivers of the Group's revenue are the growth and high utilisation of its rental assets and the growth of its long term rental contracts, recognised as finance leases, as illustrated below:

Rental assets and lease receivables	2015 $'000's	2014 $'000's	2013 $'000's	2012 $'000's
Hospitality rental assets at cost				
- Australia	**191,543**	187,672	168,497	132,757
- New Zealand	**12,063**	8,863	4,993	954
- Canada	**6,601**	894	-	-
Hospitality lease receivables	**18,560**	5,376	-	-
Total Hospitality rental assets and lease receivables	**228,767**	202,805	173,490	133,711
GoGetta rental assets at cost	**117,619**	90,094	83,948	56,132
GoGetta lease receivables	**12,057**	6,083	-	-
Total GoGetta rental assets and lease receivables	**129,676**	96,177	83,948	54,845
Total Group rental assets and lease receivables	**358,443**	298,982	257,438	189,873

Growth in the Hospitality rental asset base and lease receivables were in line with expectations and in total represent an increase of 13% since 30 June 2014. This growth has in part been achieved by growth in the Company's New Zealand and Canada and operations.

Strong GoGetta growth for the year was achieved through increased focus in the truck and trailer market and new opportunities in the light commercial sector.

6 Operating and financial review (continued)

Capital management

To achieve this growth, Group borrowings increased to $141.1 million during the year. The Group's debt facility limit with the CBA was increased to $140.0 million, bringing total debt facilities including unsecured corporate notes to $170.0 million. The Group's gearing targets remain within its targeted ranges (Note 25). The Group continues to satisfy all debt covenants applicable to the senior debt facility and the unsecured corporate notes.

Debt capital was supplemented by $9.0 million of new shareholder equity which was placed to institutional and sophisticated investors in March 2015. The Placement followed the opportunity given to all existing shareholders to reinvest through the Company's Dividend Reinvestment Plan which provided further capital of $1.9 million.

In August 2015, Silver Chef executed agreements to establish a new $300.0 million syndicated banking facility which significantly improved the key terms and conditions of Silver Chef's debt funding arrangements, including reducing pricing and increasing capacity to fund future growth. The new syndicated facility creates a staggered debt maturity profile over three years ($175.0 million limit) and five years ($125.0 million limit). The syndicate arrangements also provide the flexibility for the Group to borrow directly in New Zealand and Canadian dollars from overseas branches of the syndicate banks thereby mitigating some foreign exchange risk and minimising interest withholding taxes.

The Board also advised its intention to redeem all of the 8.50% Fixed Interest Notes ("the Notes") with a face value of $30.0 million. These notes will be redeemed on 14 September 2015 at a premium to face value of 103%.

It is the Board's intention to continue to diversify the Group's sources of debt in order to ensure the business can fund future growth whilst maintaining a secure capital base and appropriate gearing levels.

Cash flows

The Group continues to generate strong operating cash flow which is primarily reinvested in the Group's asset base. Asset funding is supplemented through debt and new equity raisings. Net operating cash flow grew by 16% to $103.3 million. Net operating cash flow was affected by an increase in receipts from customers in the form of rental payments and security bonds, offset by an increase in amounts paid to suppliers and employees.

Key cash flow information	2015 $'000's	2014 $'000's	2013 $'000's	2012 $'000's
Net operating cash flow	**103,290**	89,402	75,344	56,394
Cash from the sale of rental assets	**48,287**	35,064	24,236	19,066
Cash paid for new rental assets	**(175,367)**	(137,675)	(126,098)	(94,367)
Dividends paid	**(7,606)**	(6,891)	(7,179)	(4,763)
Net proceeds from borrowings	**32,000**	17,457	26,326	12,891
Proceeds from the issue of shares	**9,000**	3,658	8,779	10,343

6 Operating and financial review (continued)

Risks

The Company is subject to the risks of operating in the rental finance industry including general economic conditions, competitive pressures, credit risk, residual asset risk and capital availability.

Credit risk is the risk that customers will not pay amounts due on time and will default. The Group uses a combination of product design and business process to manage this risk. These include:

- Receiving rental payments weekly in advance, by direct debit. This allows the credit teams to identify issues early if a customer begins to default.
- Receiving a security bond from the customer at the beginning of the contract. This bond is used to offset any overdue amounts owed if the customer defaults.
- The Group seeks to work with small business and their cash flow commitments, however if a contract remains in arrears for over six weeks, appropriate recovery action is implemented.

There has been no material change to the credit performance of the Group's contracts and bad debts have remained at around between 2-3% of gross revenue.

Residual asset risk is the risk that assets cannot be recovered from defaulting contracts and written off or the assets are returned from contracts and not effectively remarketed. The Group uses a number of means to manage this risk including:

- Retaining title over its rental assets and registering its rental assets on the Personal Property Securities Register.
- Using agents to recover assets on defaulting contracts.
- Managing any returned hospitality assets through one of the Group's service facilities. Returned assets are cleaned, serviced and remarketed through direct sale or placing the asset back onto a new rental contract.
- GoGetta assets which are returned or repossessed are managed through the vendor network.

Establishment of the new debt funding arrangements described above have significantly improved the Group's access to capital.

Strategy and outlook

The Company continues to focus on delivering its ten year strategic plan. The Hospitality strategy is to continue to grow its core markets within Australia and to continue to build its presence in New Zealand and Canada. The GoGetta growth strategy is to retain focus within Australia and penetrate deeper into transport and light commercial vehicle markets while focussing delivering the highest levels of customer service.

The Company will continue investing for the long term growth of the Company including improving the systems and processes that underpin the business.

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 – 2014	16.0	4,716,000	26 September 2014
Interim dividend – 2015	16.0	4,742,000	24 March 2015
		9,458,000	
			Proposed payment
Dividend declared – after year-end	20.0	6,183,447	17 September 2015

8 Events subsequent to reporting date

A dividend of 20.0 cents per share, fully franked was declared by the Directors on 24 August 2015. The dividend has not been provided for in the 30 June 2015 financial report.

In August 2015, Silver Chef executed agreements to establish a new $300 million syndicated banking facility which significantly improved the key terms and conditions of Silver Chef's debt funding arrangements, including reducing pricing and increasing capacity to fund future growth. The new syndicated facility creates a staggered debt maturity profile over three years ($175 million limit) and five years ($125 million limit). The syndicate arrangements also provide the flexibility for the Group to borrow directly in New Zealand and Canadian dollars from overseas branches of the syndicate banks thereby mitigating some foreign exchange risk and minimising interest withholding taxes.

The Board also advised its intention to redeem all of the 8.50% Fixed Interest Notes ("the Notes") with a face value of $30 million.

9 Directors' interests

The relevant interests of each Director in the shares 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>	4,299,956
- Tessana Pty Ltd < Tessana Superannuation Fund >	291,385
	8,991,341
Andrew Kemp	
- Huntington Group Pty Ltd	137,130
- Huntington Group Pty Ltd <S Account>	533,412
- Huntington Investment Services Pty Ltd	235,259
- Manco (Aust) Pty Ltd	6,524
- A P & A Kemp	96,347
	1,008,672
Bede King	
- BF King & HJ King <King Superannuation Plan>	**81,970**
Sophie Mitchell	
- Mitchelldangar Pty Ltd	**22,659**

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.

10 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 there were no unissued shares of the Company under option.

11 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 premium and level of cover of this policy is deemed to be confidential and not disclosed in this report.

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.

12 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 26 to the financial statements.

13 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 71.

14 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
Executive Chairman

Brisbane

24 August 2015

Silver Chef Limited

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 3rd edition of the Australian Securities Exchange (**ASX**) Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles**).

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.	No	See note 2
2.4	The Board should establish a nominations committee.	No	See note 3
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 organization, 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 corporate 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	

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 Executive Chairman 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	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.*	Yes	

Departures from ASX Principles

Note	Details
1	Silver Chef does not comply with ASX Corporate Governance Council's Principles that requires a chair person to be an independent Director. Allan English cannot be regarded as independent by virtue of his shareholding interests. 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	With effect from 13 February 2014, the founder of Silver Chef returned to the Company in a full time role as Executive Chairman. The Board agrees that it is in the best interests of the Company, its leadership team and shareholders that Allan English assumes the Executive Chairman role and he has agreed to do so pending the recruitment of a Chief Executive Officer.
3	Silver Chef has not established a nominations committee. The full Board deals with such matters in accordance with the Nomination Committee's charter.

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Silver Chef Limited

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2015

	Note	2015 $000's	2014 $000's
Revenue	7	171,015	141,326
Depreciation and amortisation expense		(70,194)	(62,189)
Loss on sale of rental assets		(6,089)	(5,405)
Impairment of rental assets	11	(6,716)	(6,274)
Bad debt expense		(4,504)	(1,564)
Employee expenses	9	(25,470)	(18,258)
Expenses from ordinary activities	8	(27,974)	(22,683)
Finance costs	10	(7,779)	(6,950)
Other expenses		-	(71)
Profit before income tax		**22,289**	**17,932**
Income tax expense	13	(6,758)	(5,231)
Profit after income tax		**15,531**	**12,701**
Other comprehensive income (net of tax)			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences – foreign operations		(386)	178
Total comprehensive income for the year attributable to owners of the Company		**15,145**	**12,879**
Dividend per share	**21**	**36.0 cents**	**30.0 cents**
Earnings per share			
Basic earnings per share	22	51.9 cents	43.4 cents
Diluted earnings per share	22	51.9 cents	43.4 cents

The above consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

Silver Chef Limited

Consolidated statement of changes in equity

For the year ended 30 June 2015

	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 2014	**29,470**	**45,081**	**22,297**	**300**	**67,678**
Total comprehensive income for the year					
Profit for the year	-	-	15,531	-	15,531
Foreign currency translation differences	-	-	-	(386)	(386)
Total comprehensive income for the year	-	-	15,531	(386)	15,145
Transactions with owners of the Company					
Dividends recognised and paid during the year	-	-	(9,458)	-	(9,458)
Share issue costs	-	(225)	-	-	(225)
Shares issued under employee share scheme	5	31	-	-	31
Shares issued on exercise of options	-	-	-	-	-
Shares issued under dividend reinvestment plan	289	1,852	-	-	1,852
Shares issued via placement	1,154	9,000	-	-	9,000
Total contributions by and distributions to owners of the Company	1,448	10,658	(9,458)	-	1,200
Balance at 30 June 2015	**30,918**	**55,739**	**28,370**	**(86)**	**84,023**

	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 2013	**28,763**	**40,167**	**17,882**	**122**	**58,171**
Total comprehensive income for the year					
Profit for the year	-	-	12,701	-	12,701
Foreign currency translation differences	-	-	-	178	178
Total comprehensive income for the year	-	-	12,701	178	12,879
Transactions with owners of the Company					
Dividends recognised and paid during the year	-	-	(8,286)	-	(8,286)
Share issue costs	-	(171)	-	-	(171)
Shares issued under employee share scheme	7	56	-	-	56
Shares issued on exercise of options	50	95	-	-	95
Shares issued under dividend reinvestment plan	217	1,394	-	-	1,394
Shares issued via placement	433	3,540	-	-	3,540
Total contributions by and distributions to owners of the Company	707	4,914	(8,286)	-	(3,372)
Balance at 30 June 2014	**29,470**	**45,081**	**22,297**	**300**	**67,678**

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

Silver Chef Limited

Consolidated statement of financial position

As at 30 June 2015

	Note	2015 $000's	2014 $000's
ASSETS			
Current assets			
Cash and cash equivalents	20A	1,570	1,461
Trade and other receivables	14	17,135	8,842
Current tax assets	17	1,369	-
Other assets	15	960	623
Total current assets		**21,034**	**10,926**
Non-current assets			
Trade and other receivables	14	21,995	8,291
Property, plant and equipment	11	219,544	191,599
Intangibles assets	12	1,724	857
Deferred tax assets	13	7,590	6,772
Total non-current assets		**250,853**	**207,519**
Total assets		**271,887**	**218,445**
LIABILITIES			
Current liabilities			
Trade and other payables	16	8,504	7,719
Customer security bonds payable		31,484	29,306
Loans and borrowings	18	475	440
Current tax payable	17	-	838
Employee benefits	19	1,746	1,027
Total current liabilities		**42,209**	**39,330**
Non-current liabilities			
Customer security bonds payable		4,006	1,830
Loans and borrowings	18	140,672	109,083
Employee benefits	19	545	292
Other liabilities		432	232
Total non-current liabilities		**145,655**	**111,437**
Total liabilities		**187,864**	**150,767**
Net assets		**84,023**	**67,678**
EQUITY			
Share capital		55,739	45,081
Retained earnings		28,370	22,297
Foreign currency translation reserve		(86)	300
Total equity		**84,023**	**67,678**

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

Silver Chef Limited

Consolidated statement of cash flows

For the year ended 30 June 2015

	Note	2015 $000's	2014 $000's
Cash flows from operating activities			
Receipts from customers		195,750	164,353
Payments to suppliers and employees		(74,260)	(58,325)
Finance costs paid		(7,560)	(6,680)
Interest received		35	54
Income taxes paid		(9,783)	(8,501)
GST (paid)/ recovered		(892)	(1,499)
Net cash from operating activities	**20B**	**103,290**	**89,402**
Cash flows from investing activities			
Payments for plant and equipment		(184,043)	(139,117)
Proceeds from sale of plant and equipment		48,287	35,064
Proceeds from sale of properties		-	1,234
Net cash used in investing activities		**(135,756)**	**(102,819)**
Cash flows from financing activities			
Proceeds from borrowings		43,000	21,457
Repayment of borrowings		(11,000)	(4,000)
Repayment of finance leases		(440)	(409)
Transaction costs paid in relation to loans and borrowings		(154)	(62)
Proceeds from issue of shares		9,000	3,658
Transaction costs paid in relation to issue of shares		(225)	(171)
Dividends paid		(7,606)	(6,891)
Net cash from financing activities		**32,575**	**13,582**
Net increase in cash held		109	165
Cash at beginning of year		1,461	1,296
Cash and cash equivalents at end of year	**20A**	**1,570**	**1,461**

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

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 2015 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 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 24 August 2015.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

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

	2015 $000's	**2014 $000's**
Current assets	21,034	10,926
Current liabilities	(42,209)	(39,330)
	(21,175)	**(28,404)**

Included in the consolidated current liabilities at 30 June 2015 is an amount of $31,484,000 of customer security bonds (30 June 2014 $29,306,000). 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 damaged assets;
- 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, where the customer will purchase the asset, their bond will be refunded once the Group has received payment for the asset, making the transaction net cash flow positive; and
- Those bonds attached to a long term contract remain payable until the maturity date of the contract and if the customer takes the option to purchase the asset will form part of the purchase price.

Except for those security bonds which are attached to a rental contract with a maturity date greater than 12 months, 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 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.

2 Basis of preparation (continued)

(b) Basis of measurement (continued)

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 deployed in purchasing rental assets, returned to shareholders as dividend payments or used to pay down debt. This practice is supported by the Group's debt facilities, with the Group being able to draw down extra funds as required. At 30 June 2015, the Group had available undrawn facilities of $29.3 million. As described in Note 32, subsequent to 30 June 2015, the Company extended the Group's undrawn debt facilities via establishment of a senior syndicated debt facility.

After considering the above and other available current information, 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

In preparing these consolidated financial statements, management has made 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.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 30 June 2016 relate primarily to potential impairment against financial and non-financial assets. Information about these risks is in note 3 (l).

Revision to accounting estimates - Depreciation

Prior to 1 July 2014, the Company depreciated its rental asset base using a range of depreciation rates ranging from one to five years, based on the assessment of the practical useful life of assets financed under rental contracts. The majority of the Company's hospitality assets were depreciated on a five year straight line basis and GoGetta assets were depreciated on a four year straight line basis. After evaluation, including historical asset and contract performance, the Company has determined that for its long life rental assets:

- an initial depreciation life of three years is the most appropriate period to match the economic cost of the Group's asset base against the revenues it derives over the life of its rental contracts; and
- the application of a 35% residual value is more reflective of the value implicit in the Group's idle asset base which is awaiting deployment under a secondary rental contract or outright sale.

After performing more detailed analysis, the Company has determined that the above modifications meet the definition of a change in estimate under AASB 108 Accounting Policies Changes in Accounting Estimates and Errors.

The change in estimates has the notional effect of reducing the depreciation expense for the twelve months from 1 July 2014 to 30 June 2015 by $1.8 million assuming the 1 July 2014 rental asset base was depreciated for the full twelve month period without taking into account the addition of any rental assets acquired during the period. Due to the turnover of the Group's rental asset base it is impractical to determine the effect of these changes on future periods.

Leased assets are depreciated over the period of time that management estimates it can utilise the leased assets to generate income.

3 Significant accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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 are translated to the functional currency at the exchange rate at the reporting date.

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 assets and financial liabilities – recognition and de-recognition

The Group initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

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 either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3 Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Non-derivative financial assets - measurement

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

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.

(iii) Non-derivative financial liabilities - measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(iv) 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.

(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 assets 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. Refer note 2(d).

3 Significant accounting policies (continued)

(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) Leases – Group is lessee

(i) Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

At inception or reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

(ii) Leased assets

Assets held by the Group under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

(iii) Lease payments

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.

3 Significant accounting policies (continued)

g) Assets held for sale

Non-current assets are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment losses on initial classification as held-for-sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, property, plant and equipment are no longer depreciated.

(h) 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.

(ii) Short-term employee benefits

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognised for the amount expected to be paid 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.

(i) 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.

(j) Revenue

(i) Contract rental income

The Group recognises revenue from its Rent.Try.Buy and Rent.Grow.Own contracts as rental income. Rental income 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. Receipts from operating leases are due and payable by the lessee on a weekly, or in some cases monthly, basis in advance.

(ii) Lease finance interest revenue

The Group recognises lease finance interest revenue by applying discount rates implicit in the lease balances receivable at the beginning of each payment period.

3 Significant accounting policies (continued)

(k) Leases – Group is lessor

The Group has classified its long term contracts as finance leases for accounting purposes. Under a finance lease, substantially all the risks and benefits incidental to the ownership of the leased asset are transferred by the Group to the lessees. The Group recognises at the beginning of the lease term an asset at an amount equal to the aggregate of the present value (discounted at the interest rate implicit in the lease) of the minimum lease payments and an estimate of any unguaranteed residual value expected to accrue to the Group at the end of the lease term.

(l) Impairment

(i) Non-derivative financial assets

Financial assets not carried at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence that they are impaired. The main non-derivative financial assets held by the Group are contract debtors and lease receivables.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- indications that a debtor will enter bankruptcy; or
- adverse changes in the payment status of contract holders.

The Group considers evidence of impairment for their rental contract debtors at a collective level. Contracts in arrears are assessed and grouped together depending on their risk characteristics.

In assessing collective impairment, the Group uses historical information on the likelihood of recoveries, the total amount of security bonds held against the delinquent contracts and impairs the debtor ledger accordingly. Losses are recognised in profit or loss and reflected in an allowance account. When the Group has exhausted all reasonable efforts of recovery, the net book debt of the contract is written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than 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.

3 Significant accounting policies (continued)

(m) 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.

(n) 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. 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. Foreign entities are taxed individually within their respective tax jurisdictions.

4 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2014, 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

AASB 9, published July 2014, replaces existing guidance in AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected loss model for calculating impairment on financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from AASB 139.

AASB 9 is effective for annual periods beginning on or after 1 January 2018 with early adoption permitted. The adoption of this standard is expected to have an impact on the Group's financial assets, but no impact on the Group's financial liabilities.

AASB 15 Revenue from Contracts with Customers

AASB 15 establishes principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The new revenue standard will be mandatory for the Group's 30 June 2018 financial statements. The new standard is currently being assessed for the impact, if any, on the Group's future financial results.

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. When measuring the fair value of an asset or a liability, the Group uses observable market data as a far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (ie. as prices) or indirectly (ie. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

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. The future value of the corporate loan notes has been determined by the market value of the loan notes at reporting date.

6 Operating segments

The Group has two reportable segments based on the strategic management of the Group's underlying brands, being Hospitality and GoGetta. The brands are managed separately because they target distinctly different markets. For each of the strategic divisions, the Group's Executive Chairman (the chief operating decision maker) and other executive managers 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 about reportable segments	Hospitality		GoGetta		Unallocated		Total	
	2015 $000's	2014 $000's	2015 $000's	2014 $000's	2015 $000's	2014 $000's	2015 $000's	2014 $000's
External revenue	110,119	94,552	57,368	43,914	3,528	2,860	171,015	141,326
Depreciation and amortisation	(47,549)	(40,128)	(21,312)	(20,820)	(1,333)	(1,241)	(70,194)	(62,189)
Interest expense	(4,943)	(4,687)	(2,747)	(2,139)	(89)	(124)	(7,779)	(6,950)
Loss on sale of property, plant and equipment	(3,398)	(3,772)	(2,688)	(1,607)	(3)	(26)	(6,089)	(5,405)
Bad and doubtful debt expense	(2,806)	(1,150)	(1,698)	(414)	-	-	(4,504)	(1,564)
Impairment on property, plant and equipment	(3,010)	(3,861)	(3,706)	(2,413)	-	-	(6,716)	(6,274)
Reportable segment profit before tax	29,833	29,704	11,401	9,338	(18,945)	(21,110)	22,289	17,932
Reportable segment assets	157,522	138,656	108,797	73,377	5,568	6,412	271,887	218,445
Property, plant and equipment acquired during year	90,289	86,746	87,097	50,929	-	-	177,385	137,675
Reportable segment liabilities	(124,021)	(103,617)	(59,368)	(42,727)	(4,475)	(4,423)	(187,864)	(150,767)

The geographic information below analyses the Group's revenue and non-current assets based on their geographical location.

	2015 $000's		2014 $000's	
	Revenue	Non-current assets	Revenue	Non-current assets
Australia	162,999	235,190	137,703	199,242
New Zealand	5,981	9,340	3,515	7,226
Canada	2,035	6,031	108	1,051
Total	**171,015**	**250,561**	**141,326**	**207,519**

7 Revenue	2015 $000's	2014 $000's
Rental income	162,952	138,631
Lease interest	8,028	2,586
Interest	35	54
Other income	-	55
Total revenue	**171,015**	**141,326**

8 Expenses from ordinary activities	2015 $000's	2014 $000's
Cost of rental services	14,439	10,725
Other administrative expenses	10,704	9,011
Sales and marketing	2,831	2,850
Other expenses	-	97
Total expenses from ordinary activities	**27,974**	**22,683**

9 Employee benefits expense	2015 $000's	2014 $000's
Wages and salaries	21,350	15,367
Other associated personnel expenses	2,244	1,447
Contributions to defined contribution superannuation plans	1,818	1,310
Long service leave	58	134
Total employee benefits expense	**25,470**	**18,258**

10 Finance costs	2015 $000's	2014 $000's
Interest expense on financial liabilities measured at amortised cost	7,560	6,681
Amortisation of capitalised borrowing costs	219	269
Total finance costs	**7,779**	**6,950**

11 Property, plant and equipment	**2015 $000's**	**2014 $000's**
Plant and equipment		
At cost	7,712	6,443
Less accumulated depreciation	(4,210)	(2,993)
Carrying amount of property, plant and equipment	**3,502**	**3,450**
Movements during the year		
Balance at 1 July	3,450	3,184
Additions	1,519	1,654
Depreciation expense	(1,246)	(1,047)
Disposals	(8)	(341)
Transfer to intangible assets	(222)	-
Effect of movement in exchange rates	9	-
Balance at 30 June	**3,502**	**3,450**
Rental assets		
At cost	327,826	287,523
Less accumulated depreciation	(107,486)	(96,648)
Less provision for impairment	(4,298)	(2,726)
Carrying amount of rental assets	**216,042**	**188,149**
Movements during the year		
Balance at 1 July	188,149	173,526
Additions	177,385	137,675
Depreciation expense	(68,550)	(60,854)
Impairment loss[1]	(6,716)	(6,274)
Effect of movement in exchange rates	(181)	384
Assets transferred to lease receivables	(22,172)	(13,728)
Disposals	(51,873)	(42,580)
Balance at 30 June	**216,042**	**188,149**
Total property, plant and equipment	**219,544**	**191,599**

[1]Impairment of rental assets: assessments are made monthly on the recoverable amount of returned assets and assets on contracts which have defaulted. No impairment losses have been reversed (2014: Nil). Recoverable amount is determined on a value in use basis and assumes that the estimated cash flows will be received within twelve months.

	2015 $000's	**2014 $000's**
Assets leased out under operating leases and included in rental assets above		
At cost	308,849	273,830
Less accumulated depreciation	(100,762)	(91,419)
Less provision for impairment	(2,547)	(1,503)
Balance at 30 June	**205,450**	**180,908**
Depreciation recognised in year	65,286	58,333

12 Intangible assets

	2015 $000's	2014 $000's
Intangible assets		
Software at cost	4,056	2,792
Less accumulated depreciation	(2,332)	(1,935)
Carrying amount of intangible assets	**1,724**	**857**

Movements during the year		
Balance at 1 July	857	940
Additions	1,043	205
Transfer from plant and equipment	222	-
Amortisation expense	(398)	(288)
Balance at 30 June	**1,724**	**857**

13 Taxes

Current tax expense

	2015 $000's	2014 $000's
Tax recognised in profit or loss		
Current year	7,508	6,460
Adjustment for prior year	-	(12)
Increase in deferred tax asset posted from equity	68	33
Deferred tax expense	(818)	(1,250)
	6,758	**5,231**

Reconciliation of effective tax rate	%	2015 $000's	%	2014 $000's
Profit for the year		15,531		12,701
Total tax expense		6,758		5,231
Profit before tax		**22,289**		**17,932**
Tax using the Company's domestic tax rate	30.0%	6,687	30.0%	5,380
Non-assessable items	0.0%	-	(1.0%)	(185)
Non-deductible expenses	0.2%	44	0.4%	67
Other	0.1%	27	(0.2%)	(31)
	30.3%	**6,758**	**29.2%**	**5,231**

Unrecognised deferred tax assets	2015 $000's	2014 $000's
Deferred tax assets have not been recognised in respect of the following items:		
Capital tax losses	579	579
	579	**579**

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

13 Taxes (continued)

Recognised deferred tax assets and liabilities	2015 $000's	2014 $000's
Deferred tax liabilities		
Lease receivables	7,458	3,411
Plant and equipment	10	24
Intangibles	44	73
Other	7	-
Total deferred tax liabilities (temporary differences)	**7,519**	**3,508**
Deferred tax assets		
Rental assets	11,131	8,099
Allowance for impairment of receivables	1,120	506
Employee entitlements	698	413
Rental asset impairment	1,246	764
Other	622	498
Total deferred tax assets (temporary differences)	**14,817**	**10,280**
Deferred tax asset relating to tax losses carried forward	292	-
Total net deferred tax assets	**7,590**	**6,772**

Movement in deferred tax balances during the year	2015 $000's	2014 $000's
Deferred tax liabilities		
Lease receivables	4,047	3,411
Plant and equipment	(14)	(30)
Intangibles	(29)	1
Other	7	(1)
Deferred tax assets		
Rental assets	(3,032)	(4,497)
Allowance for impairment of receivables	(614)	(200)
Employee entitlements	(285)	181
Rental asset impairment	(482)	(122)
Tax losses	(292)	-
Other	(124)	7
Deferred tax expense	**(818)**	**(1,250)**
Movement in deferred tax asset recognised directly in equity	68	33

14 Trade and other receivables

	2015 $000's	2014 $000's
Included in current receivables		
Trade receivables	11,994	7,277
Finance lease receivables	8,622	3,167
Other receivables	279	91
Allowance for impairment losses	(3,760)	(1,693)
Current receivables	**17,135**	**8,842**
Included in non-current receivables		
Finance lease receivables	21,995	8,291
Non-current receivables	**21,995**	**8,291**
Total receivables	**39,130**	**17,133**

Operating leases – Group is lessor

Plant and equipment is leased to various industries

Included in current receivables		
Lease commitments receivable	9,386	5,067
Less provision for impairment	(3,342)	(1,087)
Net operating lease commitments receivable	**6,044**	**3,980**

Future minimum lease receipts in respect of non-cancellable operating leases according to the time expected to elapse to the expected date of receipt:

Rental equipment		
Not later than one year	69,535	58,042
Total future minimum lease receipts	**69,535**	**58,042**

Rental contracts are normally for a minimum of twelve months duration.

Finance leases – Group is lessor

Less than one year	18,937	8,299
Between one and five years	30,191	13,685
	49,128	**21,984**
Unearned interest income	(18,511)	(10,526)
Net finance lease receivables	**30,617**	**11,458**
The net investment in finance leases comprise:		
Less than one year	8,622	3,167
Between one and five years	21,995	8,291
Total net finance lease receivables	**30,617**	**11,458**

15 Other assets

	2015 $000's	2014 $000's
Current		
Prepayments	960	623
	960	**623**

16 Trade and other payables

	2015 $000's	2014 $000's
Current		
Creditors and accruals (unsecured)	7,150	4,685
Deferred rental revenue	1,354	3,034
	8,504	**7,719**

17 Tax assets and liabilities

	2015 $000's	2014 $000's
Current		
Current tax receivable	1,369	-
Current tax payable	-	838

18 Loans and borrowings

	2015 $000's	2014 $000's
Current		
Finance lease liabilities (secured)	475	440
	475	**440**
Non-current		
Secured:		
Finance lease liabilities	468	943
Bank loans[1] [2]	110,550	78,595
Unsecured:		
Corporate loan notes[3] [4]	29,654	29,545
	140,672	**109,083**

[1] On 10 February 2015, the Company negotiated with its senior debt financier an extension to the Group's available borrowing capacity of $20.0 million, taking the total senior secured facility limits to $140.0 million. The maturity date of this facility was also extended to 31 December 2016. The facility incurs interest at a rate of 4.98% (2014: 5.51%) and is secured by a fixed and floating charge over the assets of the Group.

[2] Subsequent to balance date, the Group has entered into a new $300.0 million syndicated banking facility which significantly improved the key terms and conditions of Silver Chef's debt funding arrangements, including reducing pricing and increasing capacity to fund future growth. The new syndicated facility creates a staggered debt maturity profile over three years ($175.0 million limit) and five years ($125.0 million limit). The syndicate arrangements also provide the flexibility for the Group to borrow directly in New Zealand and Canadian dollars from overseas branches of the syndicate banks thereby.

[3] 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.

[4] Subsequent to balance date, the Board has advised its intention to redeem all of the 8.50% fixed interest notes with a face value of $30.0 million. These notes will be redeemed on 14 September 2015 at a premium to face value of 103%.

18 Loans and borrowings (continued)

	2015 $000's	2014 $000's
Summary of available facilities		
Finance lease liabilities secured by respective plant and equipment	477	477
Commercial bills secured by way of a fixed and floating charge over the Group's assets	29,302	41,302

Finance lease payment commitments – Group is lessee

	2015			2014		
	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	54	475	529	89	440
Between one and five years	486	18	468	1,015	72	943
Total	**1,015**	**72**	**943**	**1,544**	**161**	**1,383**

19 Employee benefits

	2015 $000's	2014 $000's
Current		
Annual leave payable	1,247	823
Long service leave payable	87	86
Other employee benefits payable	412	118
	1,746	**1,027**
Non-current		
Long service leave payable	349	292
Other employee benefits payable	196	-
	545	**292**

20A. Cash and cash equivalents

Bank balances	1,570	1,461
Cash and cash equivalents in the statement of cash flows	**1,570**	**1,461**

20B. Reconciliation of cash flows from operating activities

	2015 $000's	2014 $000's
Profit for the year	15,531	12,701
Adjustments for:		
Depreciation	69,796	61,901
Amortisation of borrowing costs	219	269
Amortisation of intangible assets	398	288
Impairment loss on receivables	2,067	673
Impairment provision on rental assets	6,716	6,274
Loss on sale of fixed assets	6,089	5,405
Loss on sale of properties	-	56
Employee share scheme expense	183	-
Change in fair value of properties	-	16
Change in tax assets and liabilities	(3,025)	(3,270)
Change in trade receivables	(2,723)	(988)
Change in lease receivables	3,229	4,581
Change in other current assets	(338)	(259)
Change in creditors and accruals	(192)	(1,680)
Change in deferred revenue, advances and bonds	4,520	4,011
Change in provision for employee benefits	820	(576)
Net cash provided by operating activities	**103,290**	**89,402**

21 Dividends

The following dividends were declared and paid by the Group

	Cents per share	Total Amount $000's	Franked/ unfranked	Date of payment
2015				
Final dividend – 2014	16.0	4,716	Fully franked	26 September 2014
Interim dividend – 2015	16.0	4,742	Fully franked	24 March 2015
	32.0	9,458		
2014				
Final dividend – 2013	14.5	4,179	Fully franked	1 October 2013
Interim dividend – 2014	14.0	4,107	Fully franked	28 March 2014
	28.5	8,286		

Subsequent event

After 30 June 2015, the following dividends were declared 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 2015	20.0	6,183	17 September 2015

21 Dividends (continued)

Franking account balance

The ability to utilise the franking credits is dependent upon the ability to declare dividends. In accordance with the tax consolidation legislation, the Company as head entity in the tax consolidated group has also assumed the benefit of $19,699,000 (2014: $14,404,000) franking credits. The amount of franking credits available to shareholders for subsequent financial years is as follows:

	2015 $000's	2014 $000's
Franking account balance as at the end of the financial year at 30% (2014: 30%)	19,699	14,404
Franking (debits)/credits that will arise from the refund/payment of income tax payable as at the end of the financial year	(1,262)	869
	18,437	**15,273**

22 Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 30 June 2015 was based on the following profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding:

Profit attributable to ordinary shareholders

	2015 $000's	2014 $000's
Profit for the year	15,531	12,701

	2015 000's	2014 000's
Weighted average number of ordinary shares		
Issued ordinary shares at 1 July	29,470	28,763
Effect of share options exercised	-	40
Effect of shares issued under the dividend reinvestment plan	160	97
Effect of shares issued under the employee share scheme	4	6
Effect of shares issued under placement	287	331
Weighted average number of ordinary shares at 30 June	**29,921**	**29,237**

22 Earnings per share (continued)

Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2015 was based on the following profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares:

Profit attributable to ordinary shareholders (diluted)

	2015 $000's	2014 $000's
Profit for the year	15,531	12,701
Weighted average number of ordinary shares (diluted)	**000's**	**000's**
Weighted average number of ordinary shares (basic)	29,921	29,237
Effect of employee share based payment transactions	-	5
Weighted average number of ordinary shares at 30 June	**29,921**	**29,242**

23 Capital and reserves

Share capital	2015 000's	2014 000's
On issue at 1 July	29,470	28,763
Issued under dividend reinvestment plan	289	217
Issued via placement	1,154	433
Exercise of share options	-	50
Issued under employee share scheme	5	7
On issue at 30 June	**30,918**	**29,470**

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, 166,493 shares were issued under the dividend reinvestment plan at $5.75 and 122,524 were issued at $7.34 (2014: 216,771).

In September 2014, 4,880 shares were issued under the employee share scheme at $6.25 per share.

On 1 April 2015, 1,153,846 shares were issued under the dividend reinvestment plan shortfall agreement at $7.80 per share (2014: 432,744).

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. Issue price is based on the five day VWAP (being the period commencing one day after the results are released to the ASX and the offer is despatched to eligible employees). The number of shares issued will be rounded down to the nearest whole number.

All full-time and permanent part-time employees that 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 employee share scheme.

24 Operating leases – Group is lessee

	2015 $000's	2014 $000's
Leases as lessee		
Not later than one year	1,071	833
Later than one year not later than five years	5,182	3,782
More than five years	495	1,137
	6,748	**5,752**

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. The total operating lease expense recognised in profit or loss for the year ended 30 June 2015 was $1,177,000 (2014: $985,000).

25 Financial instruments

(a) Financial risk management

(i) Overview

The Group's principal financial instruments comprise receivables, payables, loans, unsecured corporate notes, borrowings, cash and cash equivalents.

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 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 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 Executive Chairman 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;
- reports to the Board from the internal auditor on internal controls;
- 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
- any Director may request that operational and project audits be undertaken by management.

25 Financial instruments (continued)

(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:

	2015 $000's	2014 $000's
Cash and cash equivalents	1,570	1,461
Trade and other receivables	12,273	7,368
Finance lease receivables	30,617	11,458
	44,460	**20,287**

(ii) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Each customer is assessed for creditworthiness and on their potential to service their rental agreement. The credit approval process is tiered depending on the total contract exposure of each customer.

The Group's exposure to credit risk is minimised through the nature of its business model. Weekly rental payments are received in advance by direct debit which provides opportunities to identify delinquent customer early. Security is held against most contracts by a security bond paid by the customer at the beginning of the contract and the Group maintains title over the rental assets. In some cases, where the individual client exposure is higher than the average contract, personal guarantees or other collateral may be obtained.

In monitoring customer credit risk, customers who are in arrears are grouped together according to the likelihood of successful repayment or recovery. An estimate for incurred losses is then made after taking into account the bond held to offset any losses.

The Group has established an allowance for impairment that represents the estimate of incurred losses in respect of trade and other receivables.

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

	2015 $000's		2014 $000's	
	Gross	Allowance	Gross	Allowance
Not past due	2,188	-	1,097	-
Past due 1-4 weeks	2,227	(61)	1,712	(10)
Past due 5-7 weeks	670	(96)	787	(71)
Past due 8-12 weeks	802	(217)	655	(91)
Past due + 12 weeks	6,107	(3,386)	3,026	(1,521)
Total trade receivables	**11,994**	**(3,760)**	**7,277**	**(1,693)**

Receivables past due but not considered impaired in the Group is $6,047,000 (2014: $4,021,000). Management is satisfied that payment will be received in full or holds sufficient bond to offset amounts owed. 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.

25 Financial instruments (continued)

(b) Credit risk (continued)

(iii) Finance lease receivables

The Group also provides longer term asset rentals which are recognised as finance leases. To qualify for one of the long term rental arrangements, a customer must have rented their assets for a period of 12 months on an operating lease with a good payment history before converting to a long term rental contract. The Group has recourse to the underlying asset which provides additional credit risk protection in the event of customer default. Arrears applicable to long term rental contracts are included in the trade receivables balance and monitored and impaired in the same manner as trade and other receivables. At 30 June 2015 no portion of the finance lease receivable balance was overdue (2014: nil).

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

	2015 $000's	2014 $000's
Balance at 1 July	(1,693)	(1,020)
Impairment loss recognised	(5,887)	(1,807)
Amounts written off	3,820	1,134
Balance at 30 June	**(3,760)**	**(1,693)**

(iv) Cash and cash equivalents

The Group held cash and cash equivalents of $1,570,000 at 30 June 2015 (2014: $1,461,000), 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.

(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 18.

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

30 June 2015	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	7,150	-	-	-	7,150
Customer security bonds	22,716	8,768	4,006	-	35,490
Secured bank facilities	-	-	110,698	-	110,698
Corporate loan notes	-	-	30,000	-	30,000
Finance lease liabilities	265	264	486	-	1,015
Interest payments	3,052	3,052	10,716	-	16,820
	33,183	**12,084**	**155,906**	**-**	**201,174**

25 Financial instruments (continued)

(c) Liquidity risk (continued)

30 June 2014	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	4,685	-	-	-	4,685
Customer security bonds	20,724	8,582	1,830	-	31,136
Secured bank facilities	-	-	78,698	-	78,698
Corporate loan notes	-	-	30,000	-	30,000
Finance lease liabilities	265	264	1,015	-	1,544
Interest payments	2,772	2,771	10,426	-	15,969
	28,446	**11,617**	**121,969**	**-**	**162,032**

The Group's secured bank facilities and corporate loan notes 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, 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 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. The Group also has $30 million in corporate notes which have a fixed interest rate of 8.5%.

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

	2015 $000's	2014 $000's
Financial assets – current		
Cash and cash equivalents	1,570	1,461
Financial liabilities – non current		
Secured bank facilities	110,698	78,698

25 Financial instruments (continued)

(d) Market risk (continued)

At 30 June 2015, 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 Higher/(lower)		Equity Higher/(lower)	
	2015 $000's	**2014 $000's**	**2015 $000's**	**2014 $000's**
+0.5% (50 basis points)	(347)	(362)	-	-
-0.5% (50 basis points)	347	362	-	-

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.

At 30 June 2015, the carrying amounts of the Group's financial assets and liabilities approximates their fair value with the exception of the corporate loan notes which have a fair value of $31,789,200. The fair value has been determined using a Level 1 fair valuation methodology as described in note 5.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currency in which borrowings are denominated and the respective functional currencies of the cash flows underlying the operations of the Group. The functional currencies of Group companies are Australian dollars, New Zealand dollars and Canadian dollars. The currency in which borrowings are primarily denominated is the Australian dollar.

The Group monitors its exposure to currency risk and considers existing positions, obtaining loans in currencies that match the cash flows generated by the operations of the Group and alternate hedging positions.

(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 profit after income tax over average shareholders' equity. In 2015, return on capital was 20.5% (2014: 20.3%).

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 targets includes:

- to fund no more than 70% of the carrying amount of the Group's rental assets and lease receivable by interest bearing debt. At 30 June 2015 this was calculated as follows:

	2015 $000's	**2014 $000's**
Interest bearing debt (current and non-current)	141,147	109,523
Carrying amount of rental assets (Note 11)	216,042	188,149
Ratio of interest bearing debt to carrying amount of rental assets	**65%**	**58%**

- to maintain shareholder equity at around 30% of total assets. At 30 June 2015 this was calculated as follows:

	2015 $000's	**2014 $000's**
Total equity	84,023	67,678
Total assets	271,887	218,445
Ratio of total equity to total assets	**31%**	**31%**

25 Financial instruments (continued)

(e) Capital management (continued)

- 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 2015 this was calculated as follows:

	2015 $000's	2014 $000's
Interest bearing debt	141,147	109,523
Less cash and cash equivalents	1,570	1,461
Adjusted debt	**139,577**	**108,062**
Total equity	84,023	67,678
Adjusted debt plus total equity	**223,600**	**175,740**
Adjusted debt to adjusted debt plus equity	**62%**	**61%**

26 Auditor remuneration

	2015 $	2014 $
Audit and review of financial reports	143,250	200,900
Services other than audit work – taxation services	88,577	60,700
– debt advisory services	-	15,000
– other services	-	52,921
Total	**231,827**	**329,521**

27 Contingencies

Bank guarantees totalling $597,000 exist as at 30 June 2015 (2014: $419,000).

28 Parent entity information

As at, and throughout the financial year ended 30 June 2015, the parent company of the Group was Silver Chef Limited.

	2015 $000's	2014 $000's
Result of the parent entity		
Profit for the year	7,172	20,806
Other comprehensive income	-	-
Total comprehensive income for the period	**7,172**	**20,806**

Financial position of the parent entity at year end		
Current assets	36,205	34,914
Total assets	237,698	197,950
Current liabilities	3,120	3,743
Total liabilities	158,089	126,713

28 Parent entity information (continued)

	2015 $000's	2014 $000's
Total equity of the parent entity comprising of:		
Share capital	55,738	45,080
Retained earnings	23,871	26,157
Total equity	**79,609**	**71,237**

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 certain subsidiaries.

Further details of the Deed of Cross Guarantee and the subsidiaries subject to the deed are disclosed in note 30.

29 Controlled entities

	Balance date	Country of incorporation	% of shares held	
			2015	2014
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 (i)	30 June	New Zealand	100	100
GoGetta Equipment Funding Limited (i)	30 June	New Zealand	-	100
Launch Point Pty Ltd	30 June	Australia	100	100
Silver Chef Rentals Inc	30 June	Canada	100	100

(i) Silver Chef Rentals Limited entered into an amalgamation with GoGetta Equipment Funding Limited with Silver Chef Rentals Limited becoming the amalgamated company on 18 August 2014.

30 Deed of cross guarantee

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998, the wholly-owned subsidiaries 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 subsidiaries 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 subsidiaries have also given similar guarantees in the event that the Company is wound up.

In 2015, 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 profit or loss and other 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 2015 is set out as follows:

30 Deed of cross guarantee (continued)

Statement of profit or loss and other comprehensive income

	2015 $000's	2014 $000's
Revenue	163,000	137,703
Expenses from ordinary activities	(127,233)	(107,038)
Finance costs	(7,645)	(6,950)
Change in fair value of derivative financial instruments	-	1
Change in fair value of properties	-	(16)
Loss on sale of plant and equipment	(5,545)	(5,094)
Loss on sale of properties	-	(56)
Profit before income tax	**22,577**	**18,550**
Tax expense	(6,715)	(5,383)
Profit after income tax	**15,862**	**13,167**
Other comprehensive income	-	(94)
Total comprehensive income attributable to members of the parent	**15,862**	**13,073**

Statement of financial position

	2015 $000's	2014 $000's
Assets		
Cash and cash equivalents	770	879
Trade and other receivables	16,521	8,534
Current tax receivable	1,369	-
Other assets	174	543
Total current assets	**18,834**	**9,956**
Trade and other receivables	21,344	8,213
Property plant and equipment	205,204	183,652
Intangibles	1,583	857
Deferred tax assets	7,352	6,521
Total non-current assets	**235,483**	**199,243**
Total assets	**254,317**	**209,199**
Liabilities		
Trade and other payables	21,763	27,594
Loans and borrowings	475	440
Current tax payable	-	1,021
Employee benefits	1,699	1,016
Total current liabilities	**23,937**	**30,071**
Non-current liabilities		
Trade and other payables	4,393	1,812
Loans and other borrowings	140,672	109,315
Employee benefits	545	292
Total non-current liabilities	**145,610**	**111,419**
Total liabilities	**169,547**	**141,490**

30 Deed of cross guarantee (continued)

Statement of financial position (continued)

	2015 $000's	2014 $000's
Net assets	**84,770**	**67,709**
EQUITY		
Share capital	55,740	45,082
Retained earnings	29,030	22,627
Total equity	**84,770**	**67,709**

31 Related parties

(a) **Key management personnel compensation** The key management personnel compensation comprised:	2015 $	2014 $
Short-term employee benefits	1,264,407	918,176
Other long-term benefits	67,387	72,725
Post-employment benefits	76,099	447,938
Share-based payments	-	1,000
	1,407,893	**1,439,839**

(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

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

These entities transacted with the Group in the reporting period in relation to legal advice and capital raising in the normal course of business and reflect long standing relationships between the Group and those entities. 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. Karen Penrose resigned from Wilson HTM Investment Group Ltd in January 2014.

31 Related parties

The aggregate amount recognised during the year relating to Directors and their personally-related entities, amounted to $215,111 (2014: $175,843). Details of the transactions are as follows:

	Transaction	Note	2015 $	2014 $
Bede King	Legal advice	(i)	102,611	69,647
Sophie Mitchell	Management and underwriting fees	(ii)	112,500	53,098
Karen Penrose	Management and underwriting fees	(iii)	-	53,098
			215,111	175,843

(i) Legal fees paid to Tobin King Lateef, a law firm in which Bede King is a partner. Services provided were on commercial terms as one of the Company's panel of legal firms.

(ii) Fees paid to Morgans, a company in which Sophie Mitchell is a director, for services provided jointly with Wilson HTM Investment Group Ltd, arising from capital raising on commercial terms.

(iii) Fees paid to Wilson HTM Investment Group Ltd for services provided jointly with Morgans arising from capital raising on commercial terms. Karen Penrose resigned from Wilson HTM Investment Group Ltd in January 2014, and resigned from the Company in February 2015.

32 Events subsequent to balance date

A dividend of 20.0 cents per share, fully franked was declared by the Directors on 24 August 2015. The dividend has not been provided for in the 30 June 2015 financial report.

In August 2015, Silver Chef executed agreements to establish a new $300 million syndicated banking facility which significantly improved the key terms and conditions of Silver Chef's debt funding arrangements, including reducing pricing and increasing capacity to fund future growth. The new syndicated facility creates a staggered debt maturity profile over three years ($175 million limit) and five years ($125 million limit). The syndicate arrangements also provide the flexibility for the Group to borrow directly in New Zealand and Canadian dollars from overseas branches of the syndicate banks thereby mitigating some foreign exchange risk and minimising interest withholding taxes.

The Board also advised its intention to redeem all of the 8.50% Fixed Interest Notes ("the Notes") with a face value of $30 million. These notes will be redeemed on 14 September 2015 at a premium to face value of 103%.

Silver Chef Limited

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 34 to 67 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 2015 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 30 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 Executive Chairman and Chief Financial Officer for the financial year ended 30 June 2015.

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
Executive Chairman
Brisbane

24 August 2015

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 2015, and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 32 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.

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 2015 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 2015. 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 2015, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Simon Crane
Partner

Brisbane
24 August 2015

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 2015 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
24 August 2015

Silver Chef Limited

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 12 August 2015

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

Shareholder	Number of ordinary shares
Tessana Pty Ltd < A English Family A/C>	4,299,956
English Family Foundation <English Family Foundation A/C>	4,400,000

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.

Distribution of security holders

Category	Holders	Ordinary shares
1 – 1,000	1,436	580,272
1,001 – 5,000	1,119	2,796,065
5,001 – 10,000	239	1,732,405
10,001 – 100,000	194	4,736,972
100,001 and over	29	21,071,521
	3,017	**30,917,235**

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.

Twenty largest shareholders as at 12 August 2015

Name	Number of ordinary shares held	Percentage of capital held
English Family Foundation Pty Ltd <English Family Foundation A/C>	4,400,000	14.232
Tessana Pty Ltd <A English Family A/C>	4,299,956	13.908
National Nominees Limited	2,612,778	8.451
J P Morgan Nominees Pty Limited	1,442,309	4.665
Equitas Nominees Pty Limited <2874398 A/C>	882,597	2.855
RBC Investor Services Australia Nominees Pty Limited <WAM ACCOUNT>	791,144	2.559
Contemplator Pty td <ARG Pension Fund A/C>	750,000	2.426
Ruminator Pty Ltd	750,000	2.426
RBC Investor Services Australia Nominees Pty Limited <BKCUST A/C>	634,823	2.053
HSBC Custody Nominees (Australia) Limited	536,399	1.735
Huntington Group Pty Limited <S A/C>	533,412	1.725
Citicorp Nominees Pty Limited	510,724	1.652
Mr Allan John English & Mrs Tessa Winifred English <Tessana Super Fund A/C>	291,385	0.942
Aust Executor Trustees Ltd <DS Capital Growth Fund>	290,059	0.938
Australian Executor Trustees Limited <No 1 Account>	269,340	0.871
Huntington Investment Services Pty Ltd <Huntington Investment A/C>	235,259	0.761
BNP Paribas Noms Pty Ltd <DRP>	215,384	0.697
Mr Peter Mervyn Moon & Mrs Vicki Ann Moon <The Moon Super Fund A/C>	213,641	0.691
Netwealth Investments Limited <Wrap Services A/C>	200,717	0.649
Demandem Holdings Pty Ltd <Super Fund A/C>	181,323	0.586
	20,041,250	64.822

Silver Chef Limited

ACN 011 045 828

Company directory

Executive Chairman

Allan English

Non-executive Directors

Andrew Kemp
Bede King
Sophie Mitchell
Patrick Tapper

Chief Financial Officer

Doug McAlpine

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

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.