

Appendix 4E
Silver Chef Limited
Preliminary Final Report
FINANCIAL YEAR ENDED 30 JUNE 2017

1 Details of the reporting period and the previous corresponding period

Current period: 1 July 2016 to 30 June 2017

Previous corresponding period: 1 July 2015 to 30 June 2016

2 Results for announcement to the market

	Year ended 30 June 2017 \$'000	Year ended 30 June 2016 \$'000	Change from previous corresponding period \$'000	Change from previous corresponding period %
2.1 Total revenue	286,025	221,082	64,943	29.4
2.2 Profit from ordinary activities after tax	20,245	22,356	(2,111)	(9.4)
2.3 Net profit attributable to members	20,492	21,969	(1,477)	(6.7)

	Amount per security	Franked amount per security
2.4 Dividends per ordinary shares		
Interim 2017	12.9 cents	100%
Final 2017 (declared, not yet provided at 30 June 2017) payable on 2 October 2017	25.1 cents	100%

2.5 Record date for determining entitlements to the final dividend 8 September 2017

2.6 Brief explanation of revenue, net profit and dividends
Refer to the 2017 annual report

3 Statement of comprehensive income
Refer to the 2017 annual report

4 Statement of financial position
Refer to the 2017 annual report

5 Statement of cash flows
Refer to the 2017 annual report

6 Statement of changes in equity
Refer to the 2017 annual report

	Amount per security	Total amount paid \$'000	Date of payment
7 Details of dividend payments			
Year ended 30 June 2017			
Final 2016	25.0 cents	8,788	16 September 2016
Interim 2017	12.9 cents	4,649	31 March 2017

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

	Year ended 30 June 2017 (cents)	Year ended 30 June 2016 (cents)
9 Net tangible assets per security		
Ordinary shares	413	359

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 2017 annual report
- 13 Foreign entities, applicable accounting standards used
Refer to the 2017 annual report
- 14 Commentary on the results for the financial year
Refer to the 2017 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.

Silver Chef Limited Annual Report 2017

Contents	Page
Chairman's Report	2
A purpose driven business	5
Directors' report including the remuneration report	8
Index to the financial statements	32
Consolidated statement of profit or loss and other comprehensive income	33
Consolidated statement of changes in equity	34
Consolidated statement of financial position	35
Consolidated statement of cash flows	36
Notes to the consolidated financial statements	37
Directors' Declaration	66
Independent Auditor's Report to members of Silver Chef Limited	67
Lead Auditor's Independence Declaration	72
ASX Additional Information	73
Company directory	75

Silver Chef Limited

Chairman's report

For the year ended 30 June 2017

During the year ended 30 June 2017, Silver Chef ("the Company") continued to execute its strategy of expanding its flexible rental product offering under both the Silver Chef and GoGetta brands. The Company reported a net profit after tax of \$20.2 million, which was down 9.8% on the previous corresponding period. Overall, the Company delivered good growth in its rental asset base, but year on year financial returns were down on the back of poor customer contract performance in the GoGetta business, particularly in the light commercial channel. The Company is focused on improving return on capital and has implemented a number of changes to improve credit quality and average contract life of the GoGetta portfolio.

Under the long established Silver Chef brand focused on the hospitality sector, growth and financial performance from the Australian, New Zealand and Canadian markets was excellent. Under the domestically focused GoGetta brand, similar to other rapidly growing businesses, execution of that strategy came with its challenges during the year. The transport and construction sectors in which GoGetta operates have differing customer and credit dynamics and action has been taken to refine our definition of what constitutes a quality customer in that part of the business. During the year, the Company implemented a variety of business improvement initiatives in GoGetta and the significantly improved economic performance in the second half of the year is an early indicator that the portfolio is of better average quality.

Highlights

- Net profit after tax of \$20.2M
- Consistent strong performance from the Hospitality business with the rental asset base* up 34% on 30 June 2016
- Strong growth in the New Zealand and Canadian asset bases
- Improved second half performance from GoGetta as predicted
- GoGetta business continues to be refined with focus on improving return on capital through customer quality measures
- Dividend payout ratio increased to 68.7% of full year earnings
- Implementation of securitisation funding facility on target

*Asset base consists of rental assets at written down value, lease receivables at amortised cost and capitalised upfront costs of lease origination

The business model

The Company has two brands which operate as separate divisions: Hospitality (Silver Chef) which provides funding to businesses 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 sustainable competitive advantages:

- Experience – the Company has been providing its core business equipment funding model for over 30 years
- Customers – a robust and flexible equipment rental for business critical assets for small businesses who recognise that it is the use of the equipment and not the ownership that produces profit
- People – we have a strong focus on acquiring and developing high quality staff who are aligned to our core values and purpose which builds long term value for shareholders
- Risk management – credit and asset management processes are evolving to manage risks associated with customer defaults
- Asset remarketing – the Company has developed specific know-how around the re-conditioning and remarketing of used assets, particularly in the hospitality sector
- Partnerships – we continue to strengthen our relationships with the hospitality dealer network by growing sales and marketing support. Our GoGetta finance broker network is expanding as the compelling risk sharing features of our Rent Try Buy formula gains traction with their small business clients.

Silver Chef Limited

Chairman's report

For the year ended 30 June 2017

Hospitality – Australia and New Zealand

The Silver Chef business in Australia and New Zealand exceeded expectations for the twelve-month period to 30 June 2017, with strong growth in both profitability and the rental asset base in both jurisdictions. New Zealand delivered exceptional growth increasing its rental asset base at cost 49% year on year. The Australian hospitality business continues to grow at substantially higher rates than the industry average, closing 24% higher than 30 June 2016. The Company remains focused on maintaining key relationships with its dealer network. We also made significant investment during the year in our digital marketing strategy and this has generated excellent results through more targeted engagement with our existing customer base and new markets.

Growth in the Company's key channels of restaurants, cafes and bars remains strong. The coffee channel also performed strongly during the year as we continued to generate good market penetration with our free on loan program in partnership with coffee roasters. We also generated good growth in the franchise space, particularly with emerging franchise systems where our flexible asset rental solutions have been viewed positively by early stage franchisors. The outlook for the hospitality sector in Australia and New Zealand remains strong and we anticipate ongoing growth in originations well above underlying industry growth.

Hospitality – Canada

The Canadian hospitality business performed well for the year delivering \$18.6 million of originations and a closing rental asset base at cost of \$25.3 million. This growing business continues to be well supported by suppliers, equipment dealers and industry bodies in the local market and we have set ambitious origination growth targets for FY18. Expansion into the eastern provinces provides a strong platform for future growth and our flexible rental solution continues to resonate with small hospitality businesses, particularly in the coffee sector, that are looking to expand.

GoGetta - Australia

It has been a difficult year for the GoGetta business with firstly the fraud event announced in November 2016 and then ongoing challenges of dealing with improving average credit quality of the portfolio. The Company has taken significant steps to improve its fraud risk management controls, particularly in the area of digital identity fraud. This is an ongoing challenge for the entire financial services sector and will always be an inherent risk to our business. We also continue to refine our approach to customer credit evaluation for the GoGetta business and this resulted in an improvement in the second half of FY17. Management has a comprehensive plan for how we will continue to improve return on capital in the GoGetta business with a focus on shaping the customer portfolio so it reflects both appropriate average credit quality and contract longevity. Critical to this strategy has been the alignment of internal sales staff and our broker partners who are now rewarded for achieving pre-agreed targets on origination volume, credit quality and average contract tenor.

We believe the general outlook for small business operators in the transport and construction channels remains positive, and our finance broker channel partners are now more aligned with both the Company's value based objectives and its lending criteria. In this regard FY18 is expected to be a better year. However, there will be a cost burden on the business as it works through the repossession and remarketing of assets, particularly in the light commercial channel, for which underlying customer quality did not meet our standards. This is a finite problem, linked to originations written prior to March 2016, but will create a drag on FY18 earnings.

Capital Management

The Company continues to enjoy the support of its senior lenders and continuously reviews its capital requirements to ensure an appropriate mix and diversity of funding sources.

During the year the Company extended available capacity in its senior syndicated banking facility by \$100 million. The Company successfully completed equity capital raisings in October 2016 and April 2017, placing shares to existing and new shareholders. The funds raised from these initiatives are used entirely to fund growth in the Company's rental asset base and were in line with Silver Chef's ongoing capital management strategy.

Pleasingly, the Company is close to executing documentation which will allow it to access an initial tranche of securitisation debt finance. This is an important milestone for the business as it further diversifies the Group's funding base and is the first application of structured debt finance against the Company's short term rental contracts.

Silver Chef Limited

Chairman's report

For the year ended 30 June 2017

Demonstrating the effectiveness and efficiency of this funding model is an important part of the Company's longer term capital management strategy both in Australia and in overseas markets.

Systems

During the year, the Company completed the development and testing of phase one of a new application management system. The system will generate internal efficiencies through reduced application processing times and also allows direct importing of application information from equipment dealers and finance brokers. The Company continues to invest in improving its systems and processes to ensure it is well positioned to deliver ongoing high levels of customer service in a cost competitive manner.

Key Management Appointments


Damien Guivarra transitioned to the role of Chief Executive Officer effective from 3 November 2016. This allowed me to return to the Non-Executive Chairman role, permitting me more time to focus on the English Family Foundation's philanthropic activities.

Mr Guivarra was appointed to the role of Chief Operating Officer in October 2015 and prior to that played an integral role in the growth of the Company, holding a variety of sales focused and operational management roles. Mr Guivarra spent the last three years managing the Northern Region business across both the Silver Chef and GoGetta brands. Prior to joining Silver Chef, he held a variety of national sales and marketing roles.

FY17 has been a challenging year, and I congratulate Damien on both his appointment to the CEO role but also on his management of these issues and the decisive and effective actions which have been taken to protect and improve the business. I remain of the view that we have the right management team in place and investors can be assured of my ongoing support for the Company including maintaining the English family's existing shareholding position.

Succession Planning

I would like to thank the leadership team and our wonderful staff for their contribution to the excellent result this year. My thanks also to our Board of Directors for their ongoing support and wise counsel. The business is in excellent shape and I am confident that we have the platform in place to continue to deliver outstanding shareholder value.



Allan English

Non-Executive Chairman

28 August 2017

Silver Chef Limited

A purpose driven business

For the year ended 30 June 2017

Our Purpose

The Company has always had a strong culture focused on its purpose of helping people achieve their dreams through its contribution to the community and its customers.

We firmly believe that successful, sustainable commercial enterprises require alignment of their activities around a values driven framework and a desire to make a wider contribution to the world. This approach has enabled Silver Chef to attract and retain high quality staff, create deeper and more meaningful engagement with our customers and demonstrate to investors and other stakeholders that their capital is invested in a business that is doing well and doing good.

The B Corporation certification is a validation of Silver Chef's purpose of helping others achieve their dreams, by formally committing to social and environmental responsibility. It reinforces that as a business, our core values and purpose are the foundation of our conduct with our employees, partners, customers and the community, and are as much of a focus as bottom line profitability. This approach will enable us to continue to create and deliver strategies that will ensure our social impact can be shared and expanded.

Silver Chef became a Certified B Corporation in June 2015. B Corps use 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.

We focus on four key pillars to drive our purposeful business model: Staff, Community, Environment and Customers. We have dedicated B Corp committees across our offices in Australia, New Zealand and Canada. One of the recent initiatives rolled out was our Work Welcome Program. This program has allowed us to employ refugees through a 12-week internship to help provide them with work experience and support in the cultural changes they may be facing. We also recently rolled out a program to reduce our environmental footprint through committing to green goals and a number of initiatives to reduce our environmental impact.

B Lab certification applies to the whole company across all product lines and issue areas. Today, there is a growing community of over 2,220 Certified B Corps from more than 50 countries and 130 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.



Silver Chef Limited

A purpose driven business

For the year ended 30 June 2017

1. Our People

Our people are what drive our business and our investment in them is fundamental to our success and theirs. We ensure we have the right staff by recruiting people who identify with and personify our core values of Teamwork, Attitude, Wellbeing, Respect, Integrity, Flexibility and Communication. We are passionate about diversity and inclusion and recognise that without diversity in thought and experience we cannot evolve and grow our business.

We have invested in an internal training and development system that allows our people to formulate personalised development plans and provides a framework for further education and support. This is partnered with a mentoring program that enables our people to leverage the skills and experience of other staff members.

We promote cross departmental training and secondments, and promote from within the organisation where possible in order to help people achieve their career goals and dreams while capitalising on the experience and knowledge of our staff.

The Company values its staff and their feedback and uses the results of regular staff engagement surveys to improve its culture and work environment.

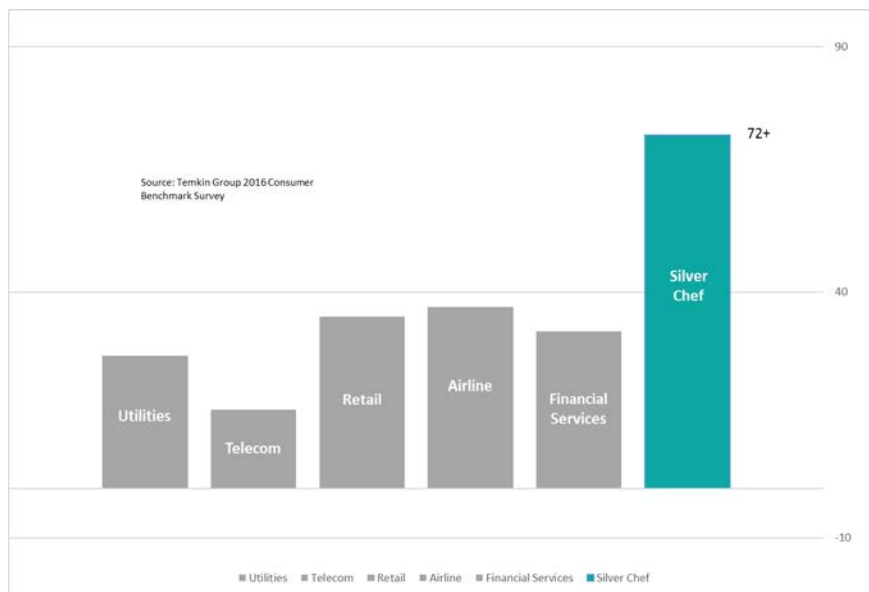
2. Our Customers

Our customers are at the forefront of our business and we recognise that in order to succeed we must develop a deep understanding of them and their changing needs. We have dedicated resources who regularly meet with customers to try to understand their journeys and challenges and who in turn, empower all other staff to support our customers with empathy and understanding. This strategy allows us to remain a global leader in customer experience.

We constantly achieve industry leading Net Promoter Scores (NPS) and strive to better our scores year on year.

Net Promoter Score Growth 2014-2017

Average NPS 2014/15	63
Average NPS 2015/16	68
Average NPS 2016/17	72



Silver Chef Limited

A purpose driven business

For the year ended 30 June 2017

In order to remain competitive and continue to meet the changing needs of our customers, the Company maintains a strong focus on innovation.

The Company strongly believes that innovation is best driven from within the organisation and provides a number of forums in which its employees can participate in design thinking, customer journey mapping and ideation sessions. Through innovation we have been able to evolve our business, not just internally through process improvement and new efficient ways of working, but also by enhancing our business model to include value add services for our customers, such as those provided by our Profitable Hospitality business.

3. Our Community

We are incredibly passionate about our local and global community. We pride ourselves on not only creating wealth and opportunity for our customers, partners, staff and shareholders, but also for those in need and less fortunate.

During FY17 the Company established the Silver Chef Foundation, to formalise its giving program. We have pledged to donate 1% of net profit after tax to locally and internationally registered charities that align with Silver Chef's vision of helping people achieve their dreams. This is coupled with workplace giving arrangements and the commitment of Silver Chef to shoulder all costs associated with the Foundation, ensuring that 100% of funds are distributed to charities.

Silver Chef also encourages staff to participate in two volunteer days each year to give back to the community and a cause in which they may have a personal interest.

Silver Chef's corporate social responsibility continues to be fulfilled through the Company's association with Opportunity International Australia. The Company and its people support Opportunity International directly and indirectly. Indirectly through the provision of office space and communication services and directly through numerous fundraising and awareness enhancing initiatives.

To date, the Silver Chef Group has helped 1,000,000 people out of poverty through its workplace giving, customer and company donations and fundraising activities.

Allan English, Silver Chef Limited's Founder and Non-Executive Chairman, through his personal participation, and that of the English Family Foundation (which continues to be the largest beneficial shareholder in the Company), is a major supporter of Opportunity International.

Opportunity International 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 International are aligned in purpose and share many values. Silver Chef's success, in part, benefits Opportunity International and in turn Opportunity International 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 International is a not-for-profit organisation that uses a sustainable approach to solve the problem of poverty. Rather than a hand-out, they provide people living in poverty with a hand up in the form of 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 families in poverty, Opportunity International 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 currently provide a way out of poverty for millions of people in 22 developing countries around the world.

More information about Opportunity International Australia's international development programs can be found at www.opportunity.org.au.

Silver Chef Limited

Directors' Report

For the year ended 30 June 2017

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 2017 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 62 Non-Executive Chairman	The founder of Silver Chef Limited, Allan has had extensive experience in the hospitality and rental industry with over 30 years in 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, and then resumed his non-executive role from 3 November 2016. He is also active in the not for profit sector and acts as a Director for the English Family Foundation and is a council member for Philanthropy Australia.
Andrew Kemp Age 66 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 also a director of PTB Group Limited (appointed August 2006) and was a director of G8 Education Limited (from March 2011 to March 2015). 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 61	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 Australasia, a Director of several non-listed companies and a member of various compliance committees for property, infrastructure and equity investment funds. He is the former National Chairman of YHA Australia, having occupied that position for over 10 years and a former Board Member of St. Aidan's Foundation Limited, a not-for-profit organisation. Bede is an independent Non-Executive Director, Chairman of the Remuneration Committee and a member of the Audit & Risk Management Committee and Finance Committee.
Sophie Mitchell Age 50 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 the Queensland Advisory Board for Australian Super, a board member of the Australia Council for the Arts, and a Director of the Morgans Foundation. In addition she is Non-Executive director of ASX-listed entities Flagship Investments Limited (appointed June 2008) and Apollo Tourism & Leisure Limited (appointed September 2016), and a Trust Member of the Queensland Performing Arts Trust. Sophie is an independent Non-Executive Director and Chairman of the Finance Committee and is a member of the Audit & Risk Management Committee and Remuneration Committee.
Patrick Tapper Age 55 FAICD	Appointed in July 2015, Patrick is also a Non-Executive Director of the Silver Chef Foundation Pty Ltd (the Trustee for the Silver Chef Foundation). He 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 Non-Executive Director of Redflow Limited (appointed March 2016), an ASX listed company. He is also 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's Board committees - as Chairman of their Digital Transformation committee, and as a member of their Audit and Risk committee. He is also Chairman of Acurus Pty Ltd, a leading Australian IT consulting and solutions provider based in Melbourne. Patrick is a former Governor of

Silver Chef Limited

Directors' Report

For the year ended 30 June 2017

1 Directors (continued)

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.

He is also a member of the Remuneration Committee.

2 Company Secretary

Don Mackenzie
Age 72

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 and/or Director for several listed and unlisted public companies. 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	14	14	-	-	-	-	-	-
Andrew Kemp	14	14	4	4	2	2	2	2
Bede King	13	14	3	4	2	2	2	2
Sophie Mitchell	14	14	4	4	2	2	2	2
Patrick Tapper	13	14	-	-	2	2	-	-

A – number of meetings attended B – number of meetings held during the year

Silver Chef Limited

Directors' Report

For the year ended 30 June 2017

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.

The Company's Corporate Governance Charter which provides detailed information about governance is available on the Company's website at www.silverchefgroup.com.au.

Silver Chef does not comply with ASX Corporate Governance Council's Recommendations that require a chair person to be an independent Director. Allan English cannot be regarded as independent by virtue of his shareholding interests, however the Board has processes in place to manage any potential conflicts arising from this issue.

With effect from 13 February 2014, Allan English returned to the Company in a full time role as Executive Chairman, until Damien Guivarra's appointment as Chief Executive Officer on 3 November 2016. From this date, Allan English was reappointed Non-Executive Chairman.

Silver Chef has not established a nominations committee but the full Board deals with nomination matters in accordance with the Nomination Committee's charter.

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 Chief Executive Officer;
- evaluating the performance of the Chief Executive Officer;
- 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 and a summary of their activities is included in this report.

The Board Charter also provides for the Board to delegate to the Chief Executive Officer, who is responsible for the day to day management of the business and the following:

- 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.

Silver Chef Limited

Directors' Report

For the year ended 30 June 2017

4.1 Board of Directors (continued)

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 were approved by shareholders at a maximum of \$455,000 per annum in the aggregate on the 3 November 2016.

Skills and independence

The Board ensures, in the selection and appointment of proposed Board members, that a diverse range of candidates is considered and may 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 of this report.

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 except for Mr Allan English, founder and substantial shareholder.

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 Non-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 to fill a casual vacancy, 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 in carrying out its function effectively and where practical, will comprise Board members.

Silver Chef Limited

Directors' Report

For the year ended 30 June 2017

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 Bede King, Andrew Kemp, Patrick Tapper and Sophie Mitchell. The Company Secretary serves as Secretary to the Committee.

The Charter provides that the Chief Executive Officer 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 2017.

Non-Executive Directors

Allan English Chairman

Andrew Kemp

Bede King

Sophie Mitchell

Patrick Tapper

Senior Executives

Damien Guivarra Chief Executive Officer (appointed 3 November 2016)

Doug McAlpine Chief Financial Officer

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.

4.3 Remuneration report – audited (continued)

Fixed remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes 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 (where appropriate) provide analysis and advice to ensure the Directors' and Senior Executives' remuneration is competitive in the market place.

Performance linked remuneration

Performance linked remuneration includes both short-term and long-term incentives, and is designed to reward Senior Executives for meeting or exceeding corporate financial and personal performance objectives and to create alignment with the creation of shareholder value. The short-term incentive (STI) is an 'at risk' bonus provided in the form of cash and 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 broader leadership team. The KPIs generally include measures relating to the Group, the relevant segment, and the individual and include financial, people, customer, strategy and risk which 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 after tax' compared to budgeted amounts and earnings per share. The non-financial objectives vary with position and responsibility and include measures such as achieving strategic outcomes, safety performance, customer satisfaction and staff development. In respect of financial years ending 30 June 2016 and 30 June 2017, no discretionary STI was accrued to the Senior Executives.

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

Long-term incentive

Incentives under the LTI are 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 20% EPS growth. If greater than 20% compound EPS growth is achieved over a four 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. This 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.

No LTI bonus has been accrued under the LTI scheme for the 2017 financial year and none of the 50% held back in respect of the four year period will be payable as year on year growth in EPS did not exceed 10%.

Short-term and long-term incentive structure

The Remuneration Committee considers that the above performance-linked remuneration structure generates the desired outcome of aligning management's intentions with shareholders while offering competitive compensation arrangements to attract and retain key staff. The evidence for this is the growth in profits and earnings per share over an extended period.

The financial year ending 30 June 2018 will be the final year of the existing four year LTI scheme. In the coming year the Remuneration Committee intends to review both the short-term and long-term compensation structure for the Company's Senior Executives and Leadership Team, including whether return on assets is a more appropriate assessment measure.

Silver Chef Limited

Directors' Report

For the year ended 30 June 2017

4.3 Remuneration report – audited (continued)

Consequences of performance on shareholder wealth

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

	2017	2016	2015	2014	2013
Net profit after tax \$'000	20,245	22,356	15,531	12,701	11,449
Basic earnings per share (EPS) (cents)	55.3	68.6	51.4	43.4	41.5
Dividends paid \$'000	13,437	11,566	9,458	8,286	7,704
Closing share price at year end	\$7.47	\$10.72	\$8.03	\$5.07	\$7.38

Share based incentive

Subject to Board discretion on a year on year basis, a share based incentive scheme is in place for all eligible employees of the Group where employees are gifted shares in Silver Chef subject to meeting profit targets set by the Board. In the FY17 year, the value of the shares gifted in respect of the FY16 financial year was \$1,000 (FY15: \$1,000) per eligible employee, resulting in the issue of 18,966 shares (FY16: 22,444 shares).

All full-time and permanent part-time employees, including the Senior Executives, who are employed by Silver Chef or its subsidiaries at the date set by the Board in respect of each share offer may participate in the Plan subject to minimum service requirements including twelve 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.

No share based incentive has been earned in respect to the 2017 financial year.

Employment contracts – Senior Executives

On 3 November 2016, Mr Damien Guivarra (previously Chief Operating Officer) commenced in the role of Chief Executive Officer. The Chief Executive Officer has a service agreement which can be terminated with six months' notice by either party. In the event of termination or resignation, he is entitled to be paid any statutory entitlements to annual and long service leave, if applicable.

The Chief Financial Officer has a service agreement which can be terminated with six months' notice by either party. In the event of termination or resignation, he is entitled to be paid any statutory entitlements to annual and long service leave, if applicable.

Both the Chief Executive Officer and the Chief Financial Officer are members of the LTI scheme.

Non-Executive Chairman

At the time of the appointment of Mr Guivarra as Chief Executive Officer on 3 November 2016, Mr English's remuneration returned to that applicable to the Non-Executive Chairman's position.

In accordance with the terms agreed in March 2015 when his executive role was extended, Mr English was paid 100 per cent of his LTI entitlement each year. The amount in respect of the June 2016 year comprised his entitlement to tier 1 LTI pro rata until he moved to three days per week on 27 January 2016 and tier 2 LTI for the remaining months of the 2016 financial year. No LTI entitlement was earned for the 2017 financial year.

Non-Executive Directors

Total remuneration for Non-Executive Directors has been set at a maximum of \$455,000 in the aggregate, which was approved at the Annual General Meeting held on 3 November 2016.

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

Silver Chef Limited
Directors' Report
For the year ended 30 June 2017

4.3 Remuneration report – audited (continued)

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:

<i>In dollars</i>		Short-term			Long-term		Post-employment		Shared based		Total	Proportion of remuneration performance related	S300A Value of options as proportion of remuneration %
		Salary & fees	Non-monetary benefits	STI cash bonus	Long service leave	LTI cash bonus	Super-annuation	Termination benefits	Options and rights				
Non-Executive Chairman													
	2017	192,297	-	-	-	-	20,770	-	-	213,067	0%	-	
	2016	495,726	-	55,000	-	-	34,999	-	-	585,725	9%	-	
Non-Executive Directors													
	2017	62,500	-	-	-	-	-	-	-	62,500	-	-	
	2016	50,000	-	-	-	-	-	-	-	50,000	-	-	
	2017	62,500	-	-	-	-	-	-	-	62,500	-	-	
	2016	50,000	-	-	-	-	-	-	-	50,000	-	-	
	2017	57,078	-	-	-	-	5,422	-	-	62,500	-	-	
	2016	45,662	-	-	-	-	4,338	-	-	50,000	-	-	
	2017	57,078	-	-	-	-	5,422	-	-	62,500	-	-	
	2016	41,974	-	-	-	-	3,987	-	-	45,961	-	-	
Non-Executive Chairman													
	2017	192,297	-	-	-	-	20,770	-	-	213,067			
	2016	495,726	-	55,000	-	-	34,999	-	-	585,725			
Non-Executive Directors													
	2017	239,156	-	-	-	-	10,844	-	-	250,000			
	2016	187,636	-	-	-	-	8,325	-	-	195,961			

¹ Reported remuneration for Allan English includes salaries paid in his capacity as Executive Chairman up to 3 November 2016

Silver Chef Limited

Directors' Report

For the year ended 30 June 2017

4.3 Remuneration report – audited (continued)

<i>In dollars</i>		Short-term			Long-term		Post-employment		Shared based		Total	Proportion of remuneration performance related	S300A Value of options as proportion of remuneration %	
		Salary & fees	Non-monetary benefits	STI cash bonus	Long service leave	LTI bonus	Super-annuation	Termination benefits	Options and rights	Shares and units				
Senior Executives														
	Damien Guivarra CEO <i>(appointed 3 November 2016)</i>	2017	470,341	-	-	-	(46,000) ²	36,899	-	-	-	461,240	0%	-
		2016	280,384	-	50,000	-	46,000	26,636	-	-	-	403,020	24%	-
	Doug McAlpine CFO	2017	374,260	-	-	-	(34,000) ²	26,981	-	-	-	367,241	0%	-
		2016	336,550	-	36,000	-	34,000	37,130	-	-	-	443,680	16%	-
	Total Senior Executives	2017	844,601	-	-	-	(80,000)	63,880	-	-	-	828,481		
	Remuneration	2016	616,934	-	86,000	-	80,000	63,766	-	-	-	846,700		

² The prior year LTI accrual was reversed in FY17 as Management have assessed it unlikely that any held back amounts will be payable due to year on year EPS growth of 10% not being achieved

4.3 Remuneration report – audited (continued)

Analysis of bonuses included in remuneration - audited

	Short-term incentive bonus	Long-term incentive bonus	Total
	<i>Vested in year</i>	<i>Deferred</i>	
Damien Guivarra	-	-	-
Doug McAlpine	-	-	-

Due to the financial performance of the Company for the year ended 30 June 2017, no Senior Executives earned incentives under either the STI or LTI schemes described above.

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:

2017	Held 1 July 2016	Purchased	Options exercised	Employee share scheme	Sold	Dividend reinvest- ment plan	Rights Issue	Held 30 June 2017
Directors								
Allan English	8,941,341	-	-	-	(100,000)	-	-	8,841,341
Andrew Kemp	1,008,672	-	-	-	(122,374)	-	10,711	897,009
Bede King	93,300	5,000	-	-	-	2,303	8,384	108,987
Sophie Mitchell	25,792	-	-	-	-	637	2,203	28,632
Patrick Tapper	10,183	-	-	-	-	-	849	11,032
Senior Executives								
Damien Guivarra	31,391*	-	-	87	-	757	-	32,235
Doug McAlpine	124	-	-	87	-	-	-	211

*Opening balance restated to reflect share registry records

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.

During FY17, the Group sold a number of assets to an entity associated with Mr Allan English that had been returned from a cancelled rental contract. The returned assets were sold by the Company at their written down value at the time of sale and an independent valuation report was sought to ensure the transaction was considered at arm's length.

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.

In the view of the Company, these transactions do not compromise the independence of the named directors.

The aggregate amount recognised during the year relating to Directors and their personally-related entities, amounted to \$621,753 (2016: \$768,882). Details of the transactions are as follows:

	Transaction	Note	2017 \$	2016 \$
Bede King	Legal advice	(i)	96,822	102,323
Sophie Mitchell	Management and underwriting fees	(ii)	524,931	666,559
			621,753	768,882

(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 Wilsons Corporate Finance Ltd, arising from capital raising and on commercial terms.

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

Prior to signing the Group's 2017 annual financial statements, Silver Chef's Chief Executive Officer and Chief Financial Officer report in writing to the ARM Committee that:

- the statement given in accordance with ASX Corporate Governance Council's principles 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, Bede King 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 Chief Executive Officer and the Chief Financial Officer attend all meetings of the Committee together with such other executives and management as may be invited by the Committee. The Company Secretary serves as Secretary to the Committee.

The Finance Committee has 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 risk mitigation through 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 monitor risks and adherence to limits which are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

Responsibility for control and risk management is delegated to the appropriate level of management within the Group with the Chief Executive Officer and Chief Financial Officer having ultimate responsibility to the Board for the Group's risk management and internal control activities.

Arrangements put in place by the Board to monitor risk management include:

- regular reporting to the Board in respect of operations and the financial position of the Group;
- reports by the Chairman of the ARM Committee and circulation to the Board of the minutes of each meeting held by the ARM Committee;
- 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, finance leases, cash and interest rate swaps. 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 5.0 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, external factors other than credit, and 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 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 in all jurisdictions;
- 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.

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 in all levels of the organisation including 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:

- ensuring that the most suitable candidate for the role is appointed whilst ensuring that no gender or other bias influences the appointment of any candidate to any role; and
- an annual assessment by the Board of performance against the objectives.

Gender representation	June 2017		June 2016	
	Female %	Male %	Female %	Male %
Board representation	20%	80%	20%	80%
Leadership Team representation	17%	83%	20%	80%
Group representation	54%	46%	53%	47%

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 Chief Executive Officer 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 to ensure open and timely communications include:

- regular shareholder communications such as half-yearly reports 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 those activities during 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 provides flexible funding solutions to a range of industry sectors. The majority of the Group's customers operate in the transport and construction sectors. GoGetta operates only in Australia.

Financial performance

The Group delivered net profit after tax of \$20.2 million. The result includes a \$2.3m after tax asset write off in relation to a co-ordinated fraud incident as reported in the half year result. After adjusting for this one-off expense item the net profit after tax for the year is \$22.5 million, being in line with the previous corresponding period.

Group revenue for the 2017 financial year increased by 29% on the previous corresponding period, driven by a 22% growth in the group's average rental asset base, including long term finance leases and an increase in the effective yield of the GoGetta portfolio as a consequence of a rental rate increase. The Group continued to realise high utilisation of its rental asset base with assets subject to the reconditioning process constituting less than 10% of the total rental asset base.

Hospitality revenue grew 24% from \$125.5 million to \$155.3 million. Of this revenue, \$22.0 million was generated by contracts in New Zealand and Canada. Growth in the New Zealand and Canadian rental asset bases during the year was encouraging given their relatively small starting positions. Domestic growth in the hospitality business exceeded expectations on the back of strong industry level expansion in the Company's key channels of restaurants, cafes and bars. The coffee channel and the franchise customer base also performed strongly during the year.

EBITDA contribution as a percentage of asset cost improved slightly year on year reflecting improved utilisation of the Company's asset base and rental yield pick-up in GoGetta. Encouragingly the EBITDA improvement is calculated after increased bad debt and asset loss provisioning in the GoGetta business. The Company also benefitted from more efficient leveraging of the Company's overhead structure arising from system efficiencies.

GoGetta revenue grew 40% from \$89.5 million to \$125.1 million. The rate of revenue growth slowed in response to a more sustainable rate of origination growth when compared with FY16. Net growth in the rental asset base for the year was 14%. The Company deliberately moderated growth in the GoGetta book as it implemented actions to improve average credit quality and contract length. The majority of the growth reduction came from significantly reduced participation in the light commercial channel where we experienced very poor average credit quality.

Bad debts and asset impairment costs increased in FY17 largely as a consequence of growth in the GoGetta book, but also reflecting the need for additional provisioning against aged arrears positions in the GoGetta business. The GoGetta arrears position has grown substantially, but generally in line with growth in the underlying rental asset base. The Company has taken a more conservative position in respect of provisioning for bad debts and impairment of suspended assets in the GoGetta business. From a credit perspective, the hospitality business performed in line with historical trends.

Pleasingly, operating expense growth including personnel expenses was lower than both asset base and revenue growth, reflecting improvement in overhead leverage. This is after taking into account overhead investment in Canada in advance of asset base growth.

6 Operating and financial review (continued)

Key financial performance information	2017	2016	2015	2014
	\$'000's	\$'000's	\$'000's	\$'000's
Rental income	263,259	203,608	162,952	138,631
Lease interest	22,614	17,393	8,028	2,586
Other income	152	81	35	109
Total revenue	286,025	221,082	171,015	141,326
Depreciation and amortisation expense	(134,223)	(94,914)	(70,194)	(62,189)
Loss on sale of rental assets	(9,181)	(9,128)	(6,089)	(5,405)
Impairment of rental assets	(16,290)	(8,807)	(6,716)	(6,274)
Bad debt expense	(12,623)	(6,248)	(4,504)	(1,564)
Expenses from ordinary activities	(34,049)	(26,779)	(27,974)	(22,754)
Employee expenses	(38,063)	(32,211)	(25,470)	(18,258)
Finance costs	(13,254)	(11,155)	(7,779)	(6,950)
Profit before income tax expense	28,342	31,840	22,289	17,932
Income tax expense	(8,097)	(9,484)	(6,758)	(5,231)
Profit for the year	20,245	22,356	15,531	12,701
Basic earnings per share	55.3 cents	68.6 cents	51.4 cents	43.4 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	2017	2016	2015	2014
	\$'000's	\$'000's	\$'000's	\$'000's
Hospitality rental assets at cost*				
- Australia	259,605	219,185	191,543	187,672
- New Zealand	24,996	18,105	12,063	8,863
- Canada	25,340	14,544	6,601	894
Hospitality lease receivables	72,316	46,205	18,677	5,376
Total Hospitality rental assets and lease receivables	382,257	298,039	228,884	202,805
GoGetta rental assets at cost*	247,798	222,110	117,619	90,094
GoGetta lease receivables	27,210	19,096	12,390	6,083
Total GoGetta rental assets and lease receivables	275,008	241,206	130,009	96,177
Total Group rental assets and lease receivables	657,265	539,245	358,893	298,982

*Rental assets at costs include capitalised upfront costs of lease origination

Growth in the Hospitality rental asset base and lease receivables were above expectations and in total represent an increase of 28% since 30 June 2016. This growth has in part been achieved by growth in the Company's New Zealand and Canadian operations, but also improvement in average contract durations as a consequence of successfully converting customers to longer term finance lease arrangements after their initial twelve-month rental contract.

As noted above, GoGetta growth was strong, even after deliberate moderation through increased credit criteria.

6 Operating and financial review (continued)

Cash flows and working capital

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 28% to \$152.9 million in line with growth in revenue and EBITDA. Working capital deteriorated slightly year on year as a consequence of growth in the Company's arrears position linked to GoGetta. The working capital cycle associated with our customers in the transport and construction channels is inherently more volatile than that historically experienced in the hospitality business resulting in a higher level of arrears. At 30 June 2017 these arrears are appropriately provisioned in respect of our expectations of credit related losses. The Company continues to work with its customers to ensure we are providing them with the appropriate support during the critical early stages of their small businesses without exposing Silver Chef to an unsustainable level of credit losses.

Key cash flow information	2017 \$'000's	2016 \$'000's	2015 \$'000's	2014 \$'000's
Net operating cash flow	152,870	119,741	103,290	89,402
Cash from the sale of rental assets	78,732	58,272	48,287	35,064
Cash paid for new rental assets	(309,472)	(305,003)	(175,367)	(137,675)
Dividends paid	(12,128)	(10,877)	(7,606)	(6,891)
Net proceeds from borrowings	65,474	110,636	32,000	17,457
Proceeds from the issue of shares	28,508	35,358	9,000	3,658

Capital management

Gross assets at 30 June 2017 totalled \$540.2 million, with gearing at 65%. The Company extended its senior syndicated banking facility by \$100 million to a total of \$398 million of which there was \$81.2 million of headroom at year end. This provides the Company with significant funding headroom as it transitions to a securitised funding model in FY18.

The Company is now in advanced stages of documentation and senior syndicate approval for the implementation of a \$200 million securitisation warehouse facility. All parties are working toward execution of relevant documentation. Successful performance of the securitisation structure will see a significant reduction to senior debt gearing levels during FY18 and a lower level of reliance on new equity to finance the Company's growth targets over the coming years.

The facility permits funding of new originations of Silver Chef and GoGetta rental contracts, and will also be used to purchase the Company's existing book of finance leases in the first instance, allowing a significant reduction to senior debt levels on first draw. Once implemented, the securitisation facility will enable the business to finance eligible contract originations to an initial maximum gearing of 80% on asset cost on a limited recourse basis. Final pricing for the securitisation warehouse structure will be established closer to financial close on the transaction.

A share placement was made on 16 September 2016 to existing and new shareholders, which raised an additional \$7.5 million of equity capital. An entitlement offer announced on 21 March 2017 raised a further \$21 million of equity capital. Funds from these placements were used to fund growth in the Company's rental asset base, and to maintain gearing at a conservative level as the Company transitions to securitisation funding.

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 equipment 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 majority of customers at the beginning of the contract. This bond is used to offset any overdue amounts owed if the customer defaults.

6 Operating and financial review (continued)

- 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.
- The Group tendered its outsourced collection arrangements during the year and now has more effective service agreements and key performance indicators in place with higher quality counterparties which will result in better collection performance moving forward.

Residual asset risk is the risk that assets cannot be recovered from defaulting contracts and written off or where the assets are returned from contracts and are not to be 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.
- Managing any returned hospitality assets through one of the Group's service facilities, where assets are cleaned, serviced and remarketed through direct sale or placing the asset back onto a new rental contract.
- The Group tendered its outsourced asset repossession arrangements during the year and now has more effective service agreements and key performance indicators in place with higher quality counterparties which will result in better asset recovery performance moving forward.
- GoGetta assets which are returned or repossessed are managed through established relationships in the vendor network.

Fraud and Cyber Crime

Similar to other participants in the financial services sector, the Company is subject to the risk of identity and credit application fraud with such events leading to the Company's ability to realise its rights under rental contracts and may impact the recoverability of capital. To mitigate this risk, the Company:

- Uses third party customer evaluation software to give insight into financial behaviour and to verify customer identity information against an existing bank account.
- Conducts a comprehensive assessment of equipment vendor partners prior to settling transactions documents with customers.
- Uses internal audit and risk resources to review and make regular recommendations to improve risk control processes
- Works with underwriters on an ongoing basis to improve responsiveness of fraud/crime insurance coverage

Access to Capital

Silver Chef's growth plans are dependent upon access to debt and equity capital. Such capital may not be available to Silver Chef on reasonable terms which could adversely affect Silver Chef's profitability or have a dilutive effect on shareholders. To mitigate against this risk, the Company:

- Has significant headroom in its senior secured debt facility.
- Is generating substantial internal operating cash-flow which is reinvested into the Company's rental asset base
- Is advanced in delivering a long term wholesale debt funding solution (securitisation warehouse) as part of its wider capital diversification strategy

Compliance with Regulatory Obligations

Silver Chef is committed to acting ethically and applying responsible lending practices as part of its business to business lending model so that it continues to successfully support its customers. The regulatory environment for financial services businesses changes rapidly and with the assistance of its advisors, the Company assesses the relevance of those changes to the Company's business model, contracts and work processes. Silver Chef must also monitor the wider legal and regulatory frameworks applicable to its people, taxation, workplace health and safety and the environment, in all of the geographic jurisdictions in which the business operates. Accountability for mitigation of this risk rests with the senior leadership team and the Company's risk management function.

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>	4,550,000
- Tessana Pty Ltd <A English Family A/C>	3,999,956
- Tessana Pty Ltd < Tessana Superannuation Fund >	291,385
	8,841,341
Andrew Kemp	
- Huntington Group Pty Ltd	132,130
- Huntington Group Pty Ltd <S Account>	432,167
- Huntington Investment Services Pty Ltd	227,159
- Manco (Aust) Pty Ltd	7,068
- A P & A Kemp	98,485
	897,009
Bede King	
- BF King & HJ King <King Superannuation Plan>	108,987
Sophie Mitchell	
- Mitchelldangar Pty Ltd	28,632
Patrick Tapper	11,032
- Tapper Super Fund Pty Ltd <Tapper SMSF A/C>	

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

Company pays 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 7.3 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 72.

14 Rounding off

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/ Director's Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in financial statements. Amounts in the financial statements have been rounded off in accordance with that instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Signed in accordance with a resolution of Directors

A handwritten signature in black ink, appearing to read 'Allan English', is written over a light grey rectangular background.

Allan English
Non-Executive Chairman
Brisbane

28 August 2017

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

Silver Chef Limited

Consolidated financial statements

For the year ended 30 June 2017

Contents		
Note	Name	Page
	Consolidated statement of profit or loss and other comprehensive income	33
	Consolidated statement of changes in equity	34
	Consolidated statement of financial position	35
	Consolidated statement of cash flows	36
1.0	Introduction to the report	37
2.0	Business result for the year	39
2.1	Segment Information	39
2.2	Revenue	40
2.3	Expenses from ordinary activities	40
2.4	Earnings per share	41
2.5	Taxes	42
3.0	Operating assets and liabilities	45
3.1	Property, plant and equipment	45
3.2	Intangible assets	47
3.3	Trade and other receivables	47
3.4	Other assets	49
3.5	Trade and other payables	49
4.0	Capital management	50
4.1	Capital and reserves	50
4.2	Dividends	51
4.3	Loans and borrowings	52
5.0	Financial instruments	53
6.0	Employee remuneration and benefits	60
6.1	Employee benefits	60
7.0	Other	61
7.1	Cash and cash equivalents	61
7.2	Reconciliation of cash flows from operating activities	61
7.3	Auditor remuneration	61
7.4	Commitments and contingencies	61
7.5	Parent entity information	62
7.6	Controlled entities	63
7.7	Deed of cross guarantee	63
7.8	Related parties	65
7.9	Events subsequent to balance date	65
	Directors' Declaration	66
	Independent Auditor's Report to members of Silver Chef Limited	67
	Lead Auditor's Independence Declaration	72
	ASX Additional Information	73

Silver Chef Limited

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2017

	Note	2017 \$000's	2016 \$000's
Revenue	2.2	286,025	221,082
Depreciation and amortisation expense		(134,223)	(94,914)
Loss on sale of rental assets		(9,181)	(9,128)
Impairment of rental assets	3.1	(16,290)	(8,807)
Bad debt expense		(12,623)	(6,248)
Employee expenses	2.3	(38,063)	(32,211)
Expenses from ordinary activities	2.3	(34,049)	(26,779)
Finance costs	2.3	(13,254)	(11,155)
Profit before income tax		28,342	31,840
Income tax expense	2.5	(8,097)	(9,484)
Profit after income tax		20,245	22,356
Other comprehensive income (net of tax)			
Items that may be reclassified subsequently to profit or loss			
Cash flow hedge revaluation	4.1	525	(983)
Foreign currency translation differences – foreign operations	4.1	(278)	596
Total comprehensive income for the year attributable to owners of the Company		20,492	21,969
Dividend paid per share	4.2	37.9 cents	37.0 cents
Earnings per share			
Basic earnings per share	2.4	55.3 cents	68.6 cents
Diluted earnings per share	2.4	55.3 cents	68.6 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 2017

	Number of shares on issue 000's	Share capital \$000's	Retained earnings \$000's	Reserves \$000's	Total equity \$000's
Balance at 1 July 2016	35,152	90,556	39,160	(473)	129,243
Total comprehensive income for the year					
Profit for the year	-	-	20,245	-	20,245
Foreign currency translation differences	-	-	-	(278)	(278)
Cash flow hedge reserve	-	-	-	525	525
Total comprehensive income for the year	-	-	20,245	247	20,492
Transactions with owners of the Company					
Dividends recognised and paid during the year	-	-	(13,437)	-	(13,437)
Share issue costs	-	(1,261)	-	-	(1,261)
Shares issued under employee share scheme	19	219	-	-	219
Shares issued under dividend reinvestment plan	130	1,308	-	-	1,308
Shares issued via placement	3,742	28,508	-	-	28,508
Total contributions by and distributions to owners of the Company	3,891	28,774	(13,437)	-	15,337
Balance at 30 June 2017	39,043	119,330	45,968	(226)	165,072

	Number of shares on issue 000's	Share capital \$000's	Retained earnings \$000's	Reserves \$000's	Total equity \$000's
Balance at 1 July 2015	30,918	55,739	28,370	(86)	84,023
Total comprehensive income for the year					
Profit for the year	-	-	22,356	-	22,356
Foreign currency translation differences	-	-	-	596	596
Cash flow hedge reserve	-	-	-	(983)	(983)
Total comprehensive income for the year	-	-	22,356	(387)	21,969
Transactions with owners of the Company					
Dividends recognised and paid during the year	-	-	(11,566)	-	(11,566)
Share issue costs	-	(1,410)	-	-	(1,410)
Shares issued under employee share scheme	22	180	-	-	180
Shares issued under dividend reinvestment plan	84	689	-	-	689
Shares issued via placement	4,128	35,358	-	-	35,358
Total contributions by and distributions to owners of the Company	4,234	34,817	(11,566)	-	23,251
Balance at 30 June 2016	35,152	90,556	39,160	(473)	129,243

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 2017

	Note	2017 \$000's	2016 \$000's
ASSETS			
Current assets			
Cash and cash equivalents	7.1	7,307	5,676
Trade and other receivables	3.3	74,860	36,777
Current tax assets	2.5	-	1,404
Other assets	3.4	2,929	1,770
Total current assets		85,096	45,627
Non-current assets			
Trade and other receivables	3.3	60,906	43,678
Property, plant and equipment	3.1	377,526	335,355
Intangible assets	3.2	3,834	3,141
Deferred tax assets	2.5	12,831	5,238
Total non-current assets		455,097	387,412
Total assets		540,193	433,039
LIABILITIES			
Current liabilities			
Trade and other payables	3.5	13,138	9,319
Current tax payable	2.5	7,654	-
Customer security bonds payable		29,666	32,867
Loans and borrowings	4.3	-	467
Employee benefits	6.1	2,203	2,205
Total current liabilities		52,661	44,858
Non-current liabilities			
Trade and other payables		32	68
Customer security bonds payable		5,730	6,069
Loans and borrowings	4.3	315,046	249,584
Employee benefits	6.1	397	1,276
Other liabilities		601	537
Derivatives	5.0	654	1,404
Total non-current liabilities		322,460	258,938
Total liabilities		375,121	303,796
Net assets		165,072	129,243
EQUITY			
Share capital		119,330	90,556
Retained earnings		45,968	39,160
Reserves	4.1	(226)	(473)
Total equity		165,072	129,243

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 2017

	Note	2017 \$000's	2016 \$000's
Cash flows from operating activities			
Receipts from customers		312,892	252,632
Payments to suppliers and employees		(141,635)	(119,656)
Finance costs paid		(12,643)	(10,278)
Interest received		49	49
Income taxes paid		(6,855)	(6,746)
GST recovered		1,062	3,740
Net cash from operating activities	7.2	152,870	119,741
Cash flows from investing activities			
Payments for plant and equipment		(309,472)	(305,003)
Proceeds from sale of plant and equipment		78,732	58,272
Net cash used in investing activities		(230,740)	(246,731)
Cash flows from financing activities			
Proceeds from borrowings		83,474	265,336
Repayment of borrowings		(18,000)	(154,700)
Repayment of finance leases		(468)	(475)
Transaction costs paid in relation to loans and borrowings		(624)	(2,136)
Proceeds from issue of shares		28,508	35,358
Transaction costs paid in relation to issue of shares		(1,261)	(1,410)
Dividends paid		(12,128)	(10,877)
Net cash from financing activities		79,501	131,096
Net increase in cash held		1,631	4,106
Cash at beginning of year		5,676	1,570
Cash and cash equivalents at end of year	7.1	7,307	5,676

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

Silver Chef Limited

Notes to the consolidated financial statements for the year ended 30 June 2017

1.0 Introduction to the report

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 2017 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.

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 28 August 2017.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments that have been measured at fair value.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in financial statements. Amounts in the financial statements have been rounded off in accordance with that instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Functional and presentation currency

The financial report is presented in Australian dollars, which is the Company's functional currency.

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 2017 relate primarily to potential impairment against financial and non-financial assets. Information about these risks is in notes 3.1 and 3.3.

Significant accounting policies

The significant accounting policies adopted in the preparation of the financial report are set out below. Other significant accounting policies are contained in the notes to the financial report to which they relate to.

(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.

1.0 Introduction to the report (continued)

(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 translation 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) 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.

(d) 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 2017, 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 and the impairment of its trade receivables, 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.

AASB 16 Leases

AASB 16 was released by the AASB in early March 2016 and applies to financial reporting periods beginning on or after 1 January 2019 with early adoption permitted if an entity is applying, or has already applied IFRS 15 *Revenue from Contracts with Customers* at the same time.

The new standard does away with the current operating/finance lease distinction, requiring entities to recognise all but the lowest value leases on the balance sheet. The new standard is currently being assessed for impact on the future financial results of the Group.

Silver Chef Limited

Notes to the consolidated financial statements for the year ended 30 June 2017

2.0 Business Result for the Year

2.1 Segment Information

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 Chief Executive Officer (the chief operating decision maker) and other Executive Managers review 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	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
External revenue	155,285	125,546	125,111	89,476	5,629	6,060	286,025	221,082
Depreciation and amortisation	(67,719)	(52,766)	(63,765)	(40,120)	(2,739)	(2,028)	(134,223)	(94,914)
Interest expense	(7,802)	(6,234)	(5,452)	(4,872)	-	(49)	(13,254)	(11,155)
Loss on sale of property, plant and equipment	(2,530)	(4,018)	(6,651)	(5,110)	-	-	(9,181)	(9,128)
Bad and doubtful debt expense	(4,854)	(1,716)	(7,729)	(4,532)	(40)	-	(12,623)	(6,248)
Impairment on property, plant and equipment	(3,932)	(2,262)	(12,358)	(6,545)	-	-	(16,290)	(8,807)
Reportable segment profit before tax	41,883	37,187	12,815	16,270	(26,356)	(21,617)	28,342	31,840
Reportable segment assets	288,664	213,720	234,658	202,069	16,871	17,250	540,193	433,039
Rental equipment acquired during year	146,600	122,788	128,279	160,091	-	-	274,879	282,879
Reportable segment liabilities	(228,844)	(172,248)	(149,647)	(124,570)	3,370	(6,978)	(375,121)	(303,796)

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

	2017 \$000's		2016 \$000's	
	Revenue	Non-current assets	Revenue	Non-current assets
Australia	263,982	411,290	206,754	359,640
New Zealand	11,127	20,488	7,744	13,825
Canada	10,916	23,319	6,584	13,947
Total	286,025	455,097	221,082	387,412

Silver Chef Limited

Notes to the consolidated financial statements for the year ended 30 June 2017

2.2 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) Finance lease interest

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

(iii) Finance income

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

Foreign currency gains are reported on a net basis as finance income when a foreign currency movement is in a net gain position.

(iv) Other income

Other income comprises subscription and consulting revenue earned through its Profitable Hospitality business.

	2017 \$000's	2016 \$000's
Rental income	263,259	203,608
Lease interest	22,614	17,393
Other income	152	81
Total revenue	286,025	221,082

2.3 Expenses from ordinary activities

	2017 \$000's	2016 \$000's
Cost of rental services	13,697	10,636
Other administrative expenses	16,048	13,140
Sales and marketing	4,304	3,003
Total expenses from ordinary activities	34,049	26,779

Employee benefits expense

	2017 \$000's	2016 \$000's
Wages and salaries	31,938	26,743
Other associated personnel expenses	3,132	2,569
Superannuation expense	2,913	2,719
Long service leave	80	180
Total employee benefits expense	38,063	32,211

Silver Chef Limited

Notes to the consolidated financial statements for the year ended 30 June 2017

2.3 Expenses from ordinary activities (continued)

Finance costs

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 losses are reported as finance costs if foreign currency movements are in a net loss position.

	2017 \$000's	2016 \$000's
Interest expense on financial liabilities measured at amortised cost	12,643	9,378
Amortisation of capitalised borrowing costs	611	1,777
Total finance costs	13,254	11,155

2.4 Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 30 June 2017 was based on the following profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding. Both the current and prior year's earnings per shares calculations have been adjusted for the bonus component of the rights issue which occurred in March 2017.

Profit attributable to ordinary shareholders

	2017 \$000's	2016 \$000's
Profit for the year	20,245	22,356

	2017 000's	2016 000's
Weighted average number of ordinary shares		
Issued ordinary shares at 1 July	35,152	30,918
Effect of shares issued under the dividend reinvestment plan	102	65
Effect of shares issued under the employee share scheme	13	18
Effect of shares issued under placement	1,190	1,170
Effect of rights issue bonus shares	144	429
Weighted average number of ordinary shares at 30 June	36,601	32,600

Silver Chef Limited

Notes to the consolidated financial statements for the year ended 30 June 2017

2.4 Earnings per share (continued)

Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2017 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)

	2017 \$000's	2016 \$000's
Profit for the year	20,245	22,356
Weighted average number of ordinary shares (diluted)	000's	000's
Weighted average number of ordinary shares (basic)	36,601	32,600
Effect of employee share based payment transactions	-	-
Weighted average number of ordinary shares at 30 June	36,601	32,600

2.5 Taxes

Recognition and measurement

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

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

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 relating to the Canadian operations, 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. Although Canada is not currently in a tax paying position, we expect to be able to utilise these carried forward tax losses to offset taxable income in the near future.

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.

Tax consolidation legislation

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.

Silver Chef Limited

Notes to the consolidated financial statements for the year ended 30 June 2017

2.5 Taxes (continued)				
Current tax expense		2017		2016
		\$000's		\$000's
Tax recognised in profit or loss				
Current year		16,200		7,132
Increase in deferred tax asset posted from equity		(421)		(760)
Deferred tax expense		(7,682)		3,112
		8,097		9,484
Reconciliation of effective tax rate				
		2017		2016
		\$000's		\$000's
	%		%	
Profit for the year		20,245		22,356
Total tax expense		8,097		9,484
Profit before tax		28,342		31,840
Tax using the Company's domestic tax rate	30.00%	8,503	30.00%	9,552
Non-deductible expenses	0.29%	81	0.16%	52
Other	(1.72)%	(487)	(0.36)%	(120)
	28.57%	8,097	29.80%	9,484
Unrecognised deferred tax assets				
		2017		2016
		\$000's		\$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.				
Recognised deferred tax assets and liabilities				
		2017		2016
		\$000's		\$000's
Deferred tax liabilities				
Lease receivables		12,991		10,753
Deferred upfront costs		2,658		3,670
Plant and equipment		2		4
Intangibles		-		21
Other		-		22
Total deferred tax liabilities (temporary differences)		15,651		14,470
Deferred tax assets				
Rental assets		17,290		12,337
Allowance for impairment of receivables		4,207		1,759
Employee entitlements		854		1,125
Rental asset impairment		3,493		1,903
Other		1,673		1,741
Total deferred tax assets (temporary differences)		27,517		18,865
Deferred tax asset relating to tax losses carried forward		965		843
Total net deferred tax assets		12,831		5,238

Silver Chef Limited

Notes to the consolidated financial statements for the year ended 30 June 2017

2.5 Taxes (continued)		
Movement in deferred tax balances during the year		
	2017	2016
	\$000's	\$000's
Deferred tax liabilities		
Lease receivables	2,237	3,297
Intangibles	(30)	(22)
Deferred upfront costs	(1,012)	3,670
Other	412	-
Deferred tax assets		
Rental assets	(5,454)	(1,185)
Plant and equipment	(128)	(113)
Allowance for impairment of receivables	(2,448)	(639)
Employee entitlements	284	(439)
Rental asset impairment	(1,590)	(657)
Tax losses	-	(553)
Accrued expenses	47	(247)
Deferred tax expense	(7,682)	3,112
Movement in deferred tax asset recognised directly in equity	89	(760)
Net movement in deferred tax balances during the year	(7,593)	2,352

3.0 Operating Assets and Liabilities

3.1 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

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Refer note 2(d).

(iv) Deferral of upfront costs

Under AASB 117 Leases, a lessor shall recognise in the carrying amount of an asset subject to an operating lease the initial direct costs incurred in negotiating and arranging the operating lease and amortise such upfront costs as an expense over the lease term on the same basis as the lease income.

(v) 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.

(vi) Impairment

Rental and idle assets

The carrying amounts of the Group's rental and idle 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.

Idle assets have been returned to the Group and have been warehoused for reconditioning or are being held by external vendors. The recoverable amount for each asset is estimated by management based on expected re-leasing rates and historical sales information.

Impairment assessments are made on assets linked to rental contracts where there is significant doubt on the ability of the customer to meet rental payments and the asset has been flagged for recovery.

The assets are grouped by risk profile and assigned an expected loss rate reflective of historical experience and management estimates.

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.

Silver Chef Limited

Notes to the consolidated financial statements for the year ended 30 June 2017

3.1 Property, plant and equipment (continued)

	2017 \$000's	2016 \$000's
Plant and equipment		
At cost	10,360	8,456
Less accumulated depreciation	(7,378)	(5,732)
Carrying amount of property, plant and equipment	2,982	2,724
Movements during the year		
Balance at 1 July	2,724	3,502
Additions	1,969	735
Depreciation expense	(1,673)	(1,519)
Disposals	(34)	-
Effect of movement in exchange rates	(4)	6
Balance at 30 June	2,982	2,724
Rental assets		
At cost	557,739	473,944
Less accumulated depreciation	(171,276)	(134,765)
Less provision for impairment	(11,919)	(6,548)
Carrying amount of rental assets	374,544	332,631
Movements during the year		
Balance at 1 July	332,631	216,042
Additions	274,879	282,879
Capitalised upfront costs of lease origination	19,472	23,663
Depreciation and amortisation expense	(131,616)	(92,897)
Impairment loss ¹	(16,290)	(8,807)
Effect of movement in exchange rates	(501)	547
Assets converted to lease receivables	(28,379)	(30,892)
Disposals	(75,652)	(57,904)
Balance at 30 June	374,544	332,631
Total property, plant and equipment	377,526	335,355

¹Impairment 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 (2016: Nil). Recoverable amount is determined on a value in use basis and assumes that the estimated cash flows will be received within twelve months.

	2017 \$000's	2016 \$000's
Assets leased out under operating leases and included in rental assets above		
At cost	507,062	450,943
Less accumulated depreciation and amortisation	(154,004)	(126,801)
Less provision for impairment	(10,289)	(4,641)
Balance at 30 June	342,769	319,501
Depreciation and amortisation expense recognised in year	125,118	89,257

Silver Chef Limited

Notes to the consolidated financial statements for the year ended 30 June 2017

3.2 Intangible assets

(i) Recognition and measurement

Intangible assets that are acquired or internally developed 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 or development 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
- intellectual property 3 years

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

	2017 \$000's	2016 \$000's
Intangible assets		
Intangible assets at costs	7,576	5,971
Less accumulated amortisation	(3,742)	(2,830)
Carrying amount of intangible assets	3,834	3,141

Movements during the year

Balance at 1 July	3,141	1,724
Additions	1,681	1,915
Disposals	(54)	-
Amortisation expense	(934)	(498)
Balance at 30 June	3,834	3,141

3.3 Trade and other receivables

	2017 \$000's	2016 \$000's
<i>Included in current receivables</i>		
Trade receivables	50,200	20,602
Finance lease receivables	38,620	21,623
Other receivables	112	438
Allowance for impairment losses	(14,072)	(5,886)
Current receivables	74,860	36,777
<i>Included in non-current receivables</i>		
Finance lease receivables	60,906	43,678
Non-current receivables	60,906	43,678
Total receivables	135,766	80,455

3.3 Trade and other receivables (continued)

Impairment – Trade and other receivables

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 customers.

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.

Operating leases – Group is lessor	2017	2016
	\$000's	\$000's
Plant and equipment is leased to various industries		
<i>Included in current receivables</i>		
Lease commitments receivable	46,717	18,519
Less provision for impairment	(11,930)	(5,264)
Net operating lease commitments receivable	34,787	13,255

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	117,265	125,058
Total future minimum lease receipts	117,265	125,058

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

Finance 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.

Silver Chef Limited

Notes to the consolidated financial statements for the year ended 30 June 2017

3.3 Trade and other receivables (continued)

Finance leases – Group is lessor	2017 \$000's	2016 \$000's
Less than one year	60,089	37,897
Between one and five years	77,039	56,944
	137,128	94,841
Unearned interest income	(37,602)	(29,540)
Net finance lease receivables	99,526	65,301
The net investment in finance leases comprise:		
Less than one year	38,620	21,623
Between one and five years	60,906	43,678
Total net finance lease receivables	99,526	65,301

3.4 Other assets

	2017 \$000's	2016 \$000's
Current		
Prepayments	2,929	1,770
	2,929	1,770

3.5 Trade and other payables

Current		
Creditors and accruals (unsecured)	10,298	7,475
Deferred rental revenue	2,840	1,844
	13,138	9,319

4.0 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 2017, return on capital was 14% (2016: 21%).

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

- The Group's gearing target is to fund no more than 70% of the carrying amount of the Group's rental assets and lease receivables by interest bearing debt. At 30 June 2017 this was calculated as follows:

	2017 \$000's	2016 \$000's
Interest bearing debt (current and non-current)	315,046	250,052
Carrying amount of rental assets and lease receivables	474,070	383,536
Ratio of interest bearing debt to carrying amount of rental assets	66%	65%

- to maintain shareholder equity at around 30% of total assets. At 30 June 2017 this was calculated as follows:

	2017 \$000's	2016 \$000's
Total equity	165,072	129,243
Total assets	540,193	433,039
Ratio of total equity to total assets	31%	30%

- 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 2017 this was calculated as follows:

	2017 \$000's	2016 \$000's
Interest bearing debt	315,046	250,052
Less cash and cash equivalents	(7,307)	(5,676)
Adjusted debt	307,739	244,376
Total equity	165,072	129,243
Adjusted debt plus total equity	472,811	373,619
Adjusted debt to adjusted debt plus equity	65%	65%

4.1 Capital and reserves

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.

	2017 000's	2016 000's
Share capital		
On issue at 1 July	35,152	30,918
Issued under dividend reinvestment plan	130	84
Issued via placement	3,742	4,128
Issued under employee share scheme	19	22
On issue at 30 June	39,043	35,152

4.1 Capital and reserves (continued)

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, and are entitled to one vote per share at meetings of the Company.

Issue of ordinary shares

During the period, 129,511 shares were issued under the dividend reinvestment plan at \$10.13 (2016: 84,349).

In October 2016, 18,966 shares were issued under the employee share scheme at \$11.53 per share.

In September 2016, 737,892 shares were issued under share placement at \$10.13 per share.

In April 2017, 3,004,750 shares were issued under the Institutional and Retail Entitlement Offers at \$7.00 per share.

Shares issued under employee share scheme

Shares are 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.

Translation reserve

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

	2017 \$000's	2016 \$000's
Translation reserve		
Opening balance	510	(86)
Movements	(278)	596
Closing balance 30 June	232	510

Cash flow hedge reserve

The cash flow hedge reserve comprises the effective portion of the fair value movement in the Company's interest rate swaps.

	2017 \$000's	2016 \$000's
Cash flow hedge reserve		
Opening balance	(983)	-
Movements	525	(983)
Closing balance 30 June	(458)	(983)

4.2 Dividends

The following dividends were declared and paid by the Group

	Cents per share	Total Amount \$000's	Franked/ unfranked	Date of payment
2017				
Final dividend – 2016	25.0	8,788	Fully franked	16 September 2016
Interim dividend – 2017	12.9	4,649	Fully franked	31 March 2017
	37.9	13,437		

Silver Chef Limited

Notes to the consolidated financial statements for the year ended 30 June 2017

4.2 Dividends (continued)

2016

Final dividend – 2015	20.0	6,188	Fully franked	17 September 2015
Interim dividend – 2016	17.0	5,378	Fully franked	22 April 2016
	37.0	11,566		

Subsequent event

After 30 June 2017, the following dividends were declared by the Directors and have not been provided for.

	Cents per share	Total Amount \$000's	Date of payment
Final dividend 2017	25.1	\$9,800	2 October 2017

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 \$22,761,000 (2016: \$21,207,000) franking credits. The amount of franking credits available to shareholders for subsequent financial years is as follows:

	2017 \$000's	2016 \$000's
Franking account balance as at the end of the financial year at 30% (2016: 30%)	22,761	21,207
Franking (debits)/credits that will arise from the refund/payment of income tax payable as at the end of the financial year	7,654	(1,404)
	30,415	19,803

4.3 Loans and borrowings

Current

Finance lease liabilities (secured)	-	467
	-	467

Non-current

Secured:

Bank loans ¹	315,046	249,584
	315,046	249,584

¹ In August 2015 the Group entered into a \$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 syndicated facility created a staggered debt maturity profile over three years to August 2018 (\$175 million limit) and five years to August 2020 (\$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.

In July 2016, the syndicated facility was increased by \$100 million to allow the Company further head room and to fund acquisition growth. Maturity of this debt extension is three years to July 2019.

4.3 Loans and borrowings (continued)

	2017 \$000's	2016 \$000's
Summary of available facilities		
Opening available syndicated debt facility	48,664	-
Facility extension during year	98,087	300,000
Debt drawn during the year	(83,474)	(265,336)
Debt repaid during the year	18,000	14,000
Closing available syndicated debt facility	81,277	48,664

5.0 Financial instruments

Financial instruments

(i) Non-derivative financial assets and financial liabilities – recognition and de-recognition

The Group initially recognises finance leases and receivables 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.

(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) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its interest rate risk exposure.

Derivatives (including interest rate swaps) are recognised initially at fair value. Any directly attributable transaction costs are recognised in profit or loss as they are incurred. Subsequent to initial recognition, derivatives are remeasured to their fair value at each reporting date.

The Group documents at the inception of the hedging transaction the relationship between the hedging instrument and hedged item, as well as its risk management objective and strategy for undertaking the hedge transaction. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The Group's interest rate swaps are designated as a cash flow hedging instrument. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the interest rate swap derivative is recognised in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

5.0 Financial instruments (continued)

(a) Financial risk management

(i) Overview

The Group's principal financial instruments comprise receivables, payables, loans, interest rate swap, 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 Chief Executive Officer and Chief Financial Officer having ultimate responsibility to the Board for the Group's risk management and internal control activities. Arrangements put in place by the Board to monitor risk management include:

- regular monthly reporting to the Board in respect of operations and the financial position of the Group;
- reports by the Chairman of the ARM Committee and circulation to the Board of the minutes of each meeting held by the ARM Committee;
- 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.

(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:

	2017	2016
	\$000's	\$000's
Cash and cash equivalents	7,307	5,676
Trade and other receivables	50,312	21,040
Finance lease receivables	99,526	65,301
	157,145	92,017

5.0 Financial instruments (continued)

(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. Rental payments are received in advance by direct debit which provides opportunities to identify delinquent customers 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:

	2017 \$000's		2016 \$000's	
	Gross	Allowance	Gross	Allowance
Not past due	2,500	-	1,228	-
Past due 1-4 weeks	5,278	(284)	4,287	(239)
Past due 5-7 weeks	2,922	(238)	1,723	(230)
Past due 8-12 weeks	4,038	(516)	2,110	(444)
Past due + 12 weeks	35,462	(11,316)	11,254	(4,752)
Total trade receivables	50,200	(12,354)	20,602	(5,665)

Receivables past due but not considered impaired in the Group is \$35,346,000 (2016: \$13,709,000). Management is satisfied that payment will be received in full or holds sufficient bond to offset amounts owed. There are bonds available of \$7,965,000 (2016: \$4,960,000) to be applied against the operating lease arrears position.

Other balances within trade and other receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received in full.

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

	2017 \$000's	2016 \$000's
Balance at 1 July	5,665	3,636
Impairment loss recognised	10,703	6,095
Amounts written off	(4,014)	(4,066)
Balance at 30 June	12,354	5,665

5.0 Financial instruments (continued)

(iii) Bonds

Included in the consolidated current liabilities at 30 June 2017 is an amount of \$29,666,000 of customer security bonds (30 June 2016: \$32,867,000). 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 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 purchases 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. If the customer takes the option to purchase the asset it 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.

(iv) 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, or be eligible for a long term franchise finance lease. The Group has recourse to the underlying asset which provides additional credit risk protection in the event of customer default.

The ageing of finance lease receivables at 30 June is detailed below:

	2017 \$000's		2016 \$000's	
	Gross	Allowance	Gross	Allowance
Not past due	73,028	-	53,299	-
Past due 1-4 weeks	8,476	(67)	5,501	(12)
Past due 5-7 weeks	3,574	(87)	1,594	(7)
Past due 8-12 weeks	2,531	(85)	1,617	(15)
Past due + 12 weeks	11,917	(1,479)	3,290	(187)
Total finance lease receivables	99,526	(1,718)	65,301	(221)

Finance lease receivables past due but not considered impaired in the Group is \$24,780,000 (2016: \$11,781,000).

There are bonds available of \$861,000 (FY16: \$596,000) to be applied against the finance lease arrears position.

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

	2017 \$000's	2016 \$000's
Balance at 1 July	221	124
Impairment loss recognised	1,920	153
Amounts written off	(423)	(56)
Balance at 30 June	1,718	221

5.0 Financial instruments (continued)

(v) Cash and cash equivalents

The Group held cash and cash equivalents of \$7,307,000 at 30 June 2017 (2016: \$5,676,000), 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 4.3.

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

30 June 2017	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	10,298	-	-	-	10,298
Customer security bonds	21,671	7,996	5,730	-	35,397
Secured bank facilities	6,148	6,148	332,006	-	344,302
Finance lease liabilities	-	-	-	-	-
	38,117	14,144	337,736	-	389,997

30 June 2016	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	7,475	-	-	-	7,475
Customer security bonds	20,151	12,716	6,069	-	38,936
Secured bank facilities	5,072	5,072	272,764	-	282,908
Finance lease liabilities	265	221	-	-	486
	32,963	18,009	278,833	-	329,805

Silver Chef Limited

Notes to the consolidated financial statements for the year ended 30 June 2017

5.0 Financial instruments (continued)

The Group's secured bank facilities contain debt covenants, a breach of which may require the Group to repay the facility 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 by significantly different amounts.

As disclosed in Note 5.0(b)(iii), 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 and/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.

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

	2017 \$000's	2016 \$000's
Financial assets – current		
Cash and cash equivalents	7,307	5,676
Financial liabilities – non current		
Secured bank facilities	316,810	251,336

At 30 June 2017, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

	Post tax profit		Equity	
	Higher/(lower)		Higher/(lower)	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
+0.5% (50 basis points)	(721)	(510)	-	-
-0.5% (50 basis points)	721	510	-	-

(i) Derivatives

	2017 \$000's	2016 \$000's
Interest rate swap at fair value	654	1,404
Total derivatives	654	1,404

The Company commenced using an interest rate swap as a derivative financial instrument effective from 7 December 2015 to manage its interest rate risk as permitted under the Group's risk management policy. It is being used exclusively for hedging purposes and not for trading or speculative purposes.

Silver Chef has an interest rate swap agreement to fix the floating interest rate component for \$100 million of its debt facility for three years maturing December 2018. The interest rate swap agreement entitles the Company to receive monthly interest at a floating rate on the notional value of \$100 million and obligates it to pay monthly interest at a fixed rate.

The interest rate swap is designated as a cash flow hedging instrument. Accordingly, the effective portion of changes in the fair value of the interest rate swap is recognised in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

5.0 Financial instruments (continued)

(ii) Fair value hierarchy

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 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.

Derivative financial instruments

Derivatives such as interest rate swaps, are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The table below analyses recurring fair value measurements for financial assets and financial liabilities.

	Level 1 \$000's	Level 2 \$000's	Level 3 \$000's	Total \$000's
Derivatives				
Interest rate swap used for hedging – 30 June 2017	-	654	-	654
Interest rate swap used for hedging – 30 June 2016	-	1,404	-	1,404
Total financial liabilities carried at fair value	-	654	-	654

The interest rate swap is measured at fair value based on the mark to market value quoted for forward interest rate swaps. These quotes are tested for reasonableness by discounting expected future cash flows using forward market interest rates for a similar instrument at the measurement date.

Cash and cash equivalents

The carrying amount is an approximation of fair value as they are short term in nature or are receivable on demand.

Lease and trade Receivables

The fair value of lease receivables is estimated by recalculating the receivable at the current effective rental rate as if the contract were entered into as at 30 June 2017.

The carrying value of trade receivables is an approximation of fair values as they are short term in nature.

Payables

The carrying amount of payables is an approximation of fair values as they are short term in nature.

Borrowings

The fair value of borrowings is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group.

Silver Chef Limited

Notes to the consolidated financial statements for the year ended 30 June 2017

5.0 Financial instruments (continued)

Set out below is a comparison of the carrying amounts and fair values of financial assets and liabilities as at 30 June 2017 and 30 June 2016.

	30 June 2017		30 June 2016	
	Carrying amount \$000's	Fair value \$000's	Carrying amount \$000's	Fair value \$000's
Financial assets				
Cash and cash equivalents	7,307	7,307	5,676	5,676
Trade and other receivables	37,956	37,956	15,375	15,375
Lease receivables	97,807	97,807	65,080	65,080
Financial liabilities				
Payables	13,138	13,138	9,319	9,319
Borrowings	316,810	316,810	251,336	251,336
Derivatives	654	654	1,404	1,404

(iii) Currency risk

The Group's exposure to currency risk was minimised by setting up facility limits to be drawn in all three functional currencies of the Group under its syndicated debt facility – Australian dollars (AUD), New Zealand dollars (NZD) and Canadian dollars (CAD). The existing limits are comprised of AUD\$348 million, AUD\$20 million drawable in either NZD or AUD, and a limit of CAD\$30 million. The currency of borrowings can now be matched to the cash flows underlying the operations of the Group but the currency in which borrowings are primarily denominated is the AUD.

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.

6.0 Employee Remuneration and Benefits

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.

6.1 Employee benefits

	2017 \$000's	2016 \$000's
Current		
Annual leave payable	1,995	1,651
Long service leave payable	191	193
Other employee benefits payable	17	361
	2,203	2,205
Non-current		
Long service leave payable	397	412
Other employee benefits payable	-	864
	397	1,276

Silver Chef Limited

Notes to the consolidated financial statements for the year ended 30 June 2017

7.0 Other

7.1 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions. Cash is held in operating bank accounts with financial institutions with a credit rating of AA- or better.

Bank balances	7,307	5,676
Cash and cash equivalents in the statement of cash flows	7,307	5,676

7.2 Reconciliation of cash flows from operating activities

	2017 \$000's	2016 \$000's
Profit for the year	20,245	22,356
Adjustments for:		
Depreciation	110,457	82,988
Amortisation of deferred upfront costs	22,832	11,428
Amortisation of borrowing costs	611	877
Amortisation of intangible assets	934	498
Impairment loss on receivables	8,186	2,126
Impairment provision on rental assets	16,289	9,006
Loss on sale of fixed assets	9,183	9,128
Deferral of commissions	(19,472)	(23,662)
Change in tax assets and liabilities	1,241	2,738
Change in trade receivables	(34,017)	(14,700)
Change in lease receivables	17,041	8,366
Change in other current assets	(1,151)	(810)
Change in creditors and accruals	3,698	3,910
Change in deferred revenue, advances and bonds	(2,544)	3,935
Change in provision for employee benefits	(663)	1,557
Net cash from operating activities	152,870	119,741

7.3 Auditor remuneration

	2017 \$	2016 \$
Audit and review of financial reports	164,500	129,000
Services other than audit work – taxation services	136,763	89,472
– other services	3,912	15,000
Total	305,175	233,472

7.4 Commitments and contingencies

Bank guarantees totalling \$775,810 exist at 30 June 2017 (2016: \$593,000).

Silver Chef Limited

Notes to the consolidated financial statements for the year ended 30 June 2017

7.4 Commitments and contingencies (continued)

Leases – Group is lessee

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.

Operating leases – Group is lessee

	2017 \$000's	2016 \$000's
<i>Leases as lessee</i>		
Not later than one year	1,772	1,234
Later than one year not later than five years	4,867	4,630
More than five years	-	-
	6,639	5,864

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 total operating lease expense recognised in profit or loss for the year ended 30 June 2017 was \$1,949,000 (2016: \$1,405,000).

7.5 Parent entity information

As at, and throughout the financial year ended 30 June 2017, the parent company of the Group was Silver Chef Limited.

	2017 \$000's	2016 \$000's
Result of the parent entity		
Profit for the year	10,335	9,728
Other comprehensive income	525	(983)
Total comprehensive income for the period	10,860	8,745

Financial position of the parent entity at year end

Current assets	65,137	54,268
Total assets	456,604	372,429
Current liabilities	2,226	3,840
Total liabilities	309,398	260,823

Silver Chef Limited

Notes to the consolidated financial statements for the year ended 30 June 2017

7.5 Parent entity information (continued)

	2017 \$000's	2016 \$000's
Total equity of the parent entity comprising of:		
Share capital	119,328	90,556
Retained earnings	28,336	22,033
Cash flow hedge reserve	(458)	(983)
Total equity	147,206	111,606

Parent entity guarantees in respect of debts of its subsidiaries

The parent entity is part of the Group loan arrangement for the syndicated banking facility which secures the Group's assets against that facility.

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 7.6.

7.6 Controlled entities

	Balance date	Country of incorporation	% of shares held	
			2017	2016
Silver Chef Finance Company Limited	30 June	Australia	100	100
Silver Chef Rentals Pty Ltd	30 June	Australia	100	100
GoGetta Equipment Funding Pty Ltd	30 June	Australia	100	100
Silver Chef Rentals Limited	30 June	New Zealand	100	100
Launch Point Pty Ltd	30 June	Australia	100	100
Silver Chef Rentals Inc	30 June	Canada	100	100
Silver Chef Foundation Pty Ltd (Trustee for Silver Chef Foundation)	30 June	Australia	100	-

7.7 Deed of cross guarantee

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998, the wholly-owned subsidiaries listed above 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 Australian subsidiaries (excluding Silver Chef Foundation Pty Ltd) 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 2017, 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 2017 is set out as follows:

Silver Chef Limited

Notes to the consolidated financial statements for the year ended 30 June 2017

7.7 Deed of cross guarantee (continued)

Statement of profit or loss and other comprehensive income		
	2017	2016
	\$000's	\$000's
Revenue	263,982	206,754
Expenses from ordinary activities	(217,007)	(156,565)
Finance costs	(12,415)	(10,730)
Loss on sale of plant and equipment	(8,529)	(8,401)
Profit before income tax	26,031	31,058
Tax expense	(7,293)	(9,221)
Profit after income tax	18,738	21,837
Other comprehensive income	458	(983)
Total comprehensive income attributable to members of the parent	19,196	20,854

Statement of financial position		
	2017	2016
	\$000's	\$000's
Assets		
Cash and cash equivalents	5,639	3,320
Trade and other receivables	70,765	35,399
Current tax receivable	-	1,583
Other assets	2,551	1,568
Total current assets	78,955	41,870
Trade and other receivables	75,183	58,734
Property plant and equipment	341,343	311,278
Intangibles	3,738	3,025
Deferred tax assets	11,153	4,184
Total non-current assets	431,417	377,221
Total assets	510,372	419,091
Liabilities		
Trade and other payables	37,730	37,825
Loans and borrowings	-	467
Current tax payable	7,299	-
Employee benefits	2,095	2,145
Total current liabilities	47,124	40,437
Non-current liabilities		
Trade and other payables	5,760	6,126
Loans and other borrowings	292,837	240,974
Employee benefits	397	1,276
Derivative financial instruments	654	1,404
Total non-current liabilities	299,648	249,780
Total liabilities	346,772	290,217
Net assets	163,600	128,874

Silver Chef Limited

Notes to the consolidated financial statements for the year ended 30 June 2017

7.7 Deed of cross guarantee (continued)

EQUITY

Share capital	119,330	90,556
Retained earnings	44,728	39,301
Reserves	(458)	(983)
Total equity	163,600	128,874

7.8 Related parties

(a) Key management personnel compensation	2017	2016
The key management personnel compensation comprised:	\$	\$
Short-term employee benefits	1,276,054	1,441,296
Other long-term benefits	(80,000)	80,000
Post-employment benefits	95,494	107,090
	1,291,548	1,628,386

(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.

The aggregate amount recognised during the year relating to Directors and their personally-related entities, amounted to \$621,753 (2016: \$768,882). Details of the transactions are as follows:

	Transaction	Note	2017 \$	2016 \$
Bede King	Legal advice	(i)	96,822	102,323
Sophie Mitchell	Management and underwriting fees	(ii)	524,931	666,559
			621,753	768,882

(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 Wilsons Corporate Finance Ltd, arising from capital raising on commercial terms.

During FY17, the Group sold a number of assets to an entity associated with Mr Allan English that had been returned from a cancelled rental contract. The returned assets were sold by the Company at their written down value at the time of sale and an independent valuation report was sought to ensure the transaction was considered at arm's length.

7.9 Events subsequent to balance date

A dividend of 25.1 cents per share, fully franked was declared by the Directors on 28 August 2017. The dividend has not been provided for in the 30 June 2017 financial report. The Dividend Reinvestment Plan has been reinstated.

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 33 to 65 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 2017 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 7.6 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 2017.
4. The directors draw attention to note 1.0 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
Non-Executive Chairman
Brisbane

28 August 2017



Independent Auditor's Report

To the shareholders of Silver Chef Limited

Report on the audit of the Financial Report

Opinion

We have audited the *Financial Report* of Silver Chef Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the *Group's* financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The *Financial Report* comprises:

- Consolidated statement of financial position as at 30 June 2017;
- 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 then ended;
- Notes including a summary of significant accounting policies; and
- The Directors' Declaration.

The *Group* consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company and Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.



Key Audit Matters

The **Key Audit Matters** we identified are:

- Impairment of trade and finance lease receivables; and
- Impairment of rental assets.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Provision for impairment of trade and finance lease receivables (AUD \$ 14.1m)

Refer to Note 3.3 and 5(b) to the financial report

The key audit matter	How the matter was addressed in our audit
<p>Our audit attention focussed on impairment of trade and lease receivables as a key audit matter as these balances represent a significant source of credit risk to the Group.</p> <p>The Group segments overdue receivables into risk profiles through the assignment of a credit code. The impairment provision is determined based on an expected loss rate assigned for each credit code which reflects historical experience and management estimates.</p> <p>The assignment of credit codes and the expected loss rates present challenges from an audit perspective given the nature of the receivables portfolio being a large number of relatively low value contracts and the estimates that have been applied.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Testing key internal controls that are designed to identify contracts where a scheduled payment has not been received and that the credit code has been assigned in accordance with the Group’s policy; • Assessing the adequacy of the impairment provision relating to a sample of receivables selected on the basis of the amount outstanding net of the impairment provision. Our testing included challenging the assigned credit code through inspection of the latest correspondence with the lessee, enquiries with the collection team and forming our own view as to the likelihood of recovery from any security held; • We assessed the expected loss rate for a sample of credit codes through comparison to current recovery action and investigated significant differences; • Identifying lease receivables over twelve weeks in arrears that have been assigned a credit code with a low expected loss rate. Our testing investigated whether the assigned credit codes results in a provision estimate that appropriately reflects the increased credit risk profile of this pool of receivables; and • Recalculating the impairment provision based on the value of lease contracts in the credit code category.

Provision for impairment of rental assets (AUD \$11.9m)

Refer to Note 3.1 to the financial report

The key audit matter	How the matter was addressed in our audit
<p>Impairment assessments relating to rental assets are a key audit matter due to the significant value of these assets, being 69% of the Group’s total assets and the estimates applied by management to assess the assets’ recoverable amounts. Our audit focussed on the recoverable amount estimates for idle assets and suspended assets due to the increased risk of impairment associated with these assets and the external fraud that occurred in the financial year.</p> <p>Idle assets are those assets that have been returned to the Group and have been warehoused for reconditioning or are being held on consignment by external vendors. The recoverable amount for each asset is estimated by management based on expected re-leasing rates and historical sales information for that portion of the asset pool which is proposed to be sold.</p> <p>Suspended assets represent equipment currently leased to customers where there is significant doubt on the ability of the customer to meet rental payments and the asset is in the process of recovery. The impairment assessments relating to suspended assets are challenging to audit as the assets are still in the possession of the customer and therefore the location and physical condition of the asset is in the process of being determined. The Group segments suspended assets into risk profiles through the assignment of a credit codes similar to those used in assessing the impairment of lease receivables. The recoverable amount is based on an expected loss rate assigned for each credit code which reflects historical experience and management estimates.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Testing key internal controls that identify contracts where a scheduled payment has not been received and the assignment of a credit code to rental asset balances in accordance with the Group’s policy; • Inspecting the existence and condition of a sample of idle assets held by external vendors; • Attending counts of equipment at the Group’s warehouse facilities. We tested a sample of equipment for physical existence and asset condition. We considered whether the recoverable amount reflected the age, condition and recovery strategy assigned to the equipment; • Assessing the recoverable amount against historical sales information and re-leasing rates for idle assets; • Identifying suspended assets where a payment has not been received for over twelve weeks that have been assigned a credit code with a low expected loss rate. Our testing challenged whether the assessed recoverable amount results in an impairment estimate that appropriately reflects the increased risk profile for this pool of rental assets; • Identifying equipment subject to external fraud and evaluating the level of provision allocated; and • Recalculating the impairment provision based on the impairment percentage and the value of idle and suspended contract assets.



Other Information

Other Information is financial and non-financial information in the Company's annual reporting which is provided in addition to the Financial Report and the Auditor's Report thereon. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Group's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

A further description of our responsibilities for the Audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar2.pdf. This description forms part of our Auditor's Report.



Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Silver Chef Limited for the year ended 30 June 2017, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

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 responsibilities

We have audited the Remuneration Report included in Section 4.3 of the Directors' Report for the year ended 30 June 2017.

Our responsibility is to express an opinion on the Remuneration Report, based on our Audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Jillian Richards
Partner

Brisbane
28 August 2017



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

To: the Directors of Silver Chef Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Silver Chef Limited for the financial year ended 30 June 2017 there have been:

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

KPMG

Jillian Richards
Partner

Brisbane
28 August 2017

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 25 August 2017

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

Shareholder	Number of ordinary shares
JP Morgan Nominees Australia Limited	5,237,727
English Family Foundation <English Family Foundation A/C>	4,550,000
Tessana Pty Ltd < A English Family A/C>	3,999,956

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	1,448	586,399
1,001 – 5,000	1,454	3,495,621
5,001 – 10,000	342	2,413,774
10,001 – 100,000	261	6,171,604
100,001 and over	30	26,334,763
	3,535	39,002,161

The number of shareholders with less than a marketable parcel of ordinary shares is 285.

On-market buy-back

There is no current on-market buy-back.

Silver Chef Limited

ASX additional information (continued)

Twenty largest shareholders as at 25 August 2017

Name	Number of ordinary shares held	Percentage of capital held
J P Morgan Nominees Australia Limited	5,237,727	13.429
English Family Foundation Pty Ltd <English Fam Foundation A/C>	4,550,000	11.666
Tessana Pty Ltd <A English Family A/C>	3,999,956	10.256
HSBC Custody Nominees (Australia) Limited	1,934,018	4.959
National Nominees Limited	1,535,726	3.938
BNP Paribas Noms Pty Ltd <Drp>	1,519,221	3.895
Citicorp Nominees Pty Limited	1,031,187	2.644
Blue Stamp Company Pty Ltd <Blue Stamp A/C>	771,158	1.977
Contemplator Pty Ltd <Arg Pension Fund A/C>	750,000	1.923
Ruminator Pty Ltd	750,000	1.923
HSBC Custody Nominees (Australia) Limited - A/C 2	518,153	1.329
Huntington Group Pty Limited	432,167	1.108
Australian Executor Trustees Limited <No 1 Account>	338,046	0.867
Tessana Super Fund	291,385	0.747
Mr Peter Mervyn Moon & Mrs Vicki Ann Moon <The Moon Super Fund A/C>	281,667	0.722
Huntington Investment Services Pty Ltd	227,159	0.582
Berkopy Holdings Pty Ltd	215,000	0.551
CS Third Nominess Pty Ltd	213,583	0.548
BNP Paribas Nominees Pty Ltd	212,969	0.546
Paraway Pty Ltd	201,121	0.516
	25,010,243	64.125

Silver Chef Limited

ACN 011 045 828

Company directory

Non-Executive Chairman

Allan English

Non-Executive Directors

Andrew Kemp
Bede King
Sophie Mitchell
Patrick Tapper

Chief Executive Officer

Damien Guivarra

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.

Code: Shares – SIV

Other information

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