Silver Chef Limited

ASX Appendix 4E and Preliminary Final Report

For the year ended 30 June 2019

SILVER CHEF LIMITED
ACN: 011 045 828
ASX CODE: SIV

Contents

ASX Appendix 4E – Preliminary final results and other information

For the year ended 30 June 2019

The unaudited results for Silver Chef Limited and its subsidiaries for the period 1 July 2018 to 30 June 2019 are summarised below. Supporting commentary on the result is provided in the ASX Release documents.

Results for announcement to the market

	2019 $m	2018 $m	Change $m	Change %
Revenue	235.4	287.1	(51.7)	(18.0)
Profit / (Loss) from ordinary activities after tax	(18.6)	(48.8)	30.2	61.9
Net Profit / (Loss) attributable to members	(18.6)	(48.8)	30.2	61.9

Dividends

No dividends were declared in relation to the year ended 30 June 2019 (FY18: A fully franked interim dividend of 10.0 cents per share was paid on 20 April 2018).

Net tangible assets

Net tangible assets per security were 191 cents (FY18: 256 cents). When excluding deferred tax assets, the net tangible assets per security were 79 cents (FY18: 169 cents).

Details of entities over which control has been gained or lost during the year

Nil

Rental asset base

The key drivers of the Group's revenue are the growth and utilisation rates of its rental assets and long-term rental contracts (finance leases), as illustrated below. All amounts are presented gross before accumulated depreciation and impairments.

	2019 $m	2018 $m	Change $m	Change %
Hospitality rental assets at cost*				
• Australia	266.5	269.3	(2.8)	(1.0)
• New Zealand	37.8	32.8	5.0	15.2
• Canada	38.7	30.2	8.5	28.1
Hospitality lease receivables	79.0	97.0	(18.0)	(18.6)
Total Hospitality rental assets at cost and lease receivables	**422.0**	**429.3**	(7.3)	(1.7)
Total GoGetta rental assets at cost and lease receivables	**66.0**	**206.1**	(140.1)	(68.0)
Total Group rental assets at cost and lease receivables	**488.0**	**635.4**	(147.4)	(23.2)

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

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2019

	2019 $000's	2018 $000's
Revenue	235,396	287,138
Depreciation and amortisation expense	(111,172)	(137,999)
Loss on sale of rental assets	(16,735)	(17,999)
Impairment of rental assets	(21,133)	(39,369)
Bad debt expense	(19,932)	(52,969)
Employee expenses	(35,480)	(42,167)
Expenses from ordinary activities	(38,090)	(43,937)
Interest paid	(16,975)	(15,530)
Amortisation of capitalised borrowing costs	(973)	(5,554)
Profit/ (loss) before income tax	**(25,094)**	**(68,386)**
Income tax benefit/(expense)	6,481	19,572
Profit/ (loss) after income tax	**(18,613)**	**(48,814)**
Other comprehensive income (net of tax)		
Cash flow hedge revaluation	(53)	243
Foreign currency translation differences – foreign operations	1,134	(394)
Total comprehensive income/(loss) for the year attributable to owners of the Company	**(17,532)**	**(48,965)**
Dividends paid per share		
Current year interim dividend paid	-	**10.0 cents**
Prior year dividend paid	-	**25.1 cents**
Earnings per share		
Basic earnings per share	(47.4) cents	(124.5) cents
Diluted earnings per share	(47.4) cents	(124.5) cents

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

Consolidated statement of financial position

As at 30 June 2019

	2019 $000's	2018 $000's
ASSETS		
Current assets		
Cash and cash equivalents	76,654	29,265
Trade and other receivables	24,861	49,140
Inventories	92	3,320
Current tax assets	477	4,344
Other assets	1,807	2,192
Total current assets	**103,891**	**88,261**
Non-current assets		
Trade and other receivables	49,807	72,953
Rental assets	215,467	296,395
Property plant and equipment	1,575	2,477
Intangible assets	4,271	4,054
Deferred tax assets[1]	44,200	33,435
Total non-current assets	**315,320**	**409,314**
Total assets	**419,211**	**497,575**
LIABILITIES		
Current liabilities		
Trade and other payables	15,023	16,245
Provisions	6,078	3,800
Current tax payable	466	640
Customer security bonds payable	20,232	21,691
Loans and borrowings	293,254	342,711
Employee benefits	2,209	2,313
Total current liabilities	**337,262**	**387,400**
Non-current liabilities		
Customer security bonds payable	1,126	5,145
Provisions	362	-
Employee benefits	241	382
Other liabilities	418	548
Derivatives	384	308
Total non-current liabilities	**2,531**	**6,383**
Total liabilities	**339,793**	**393,783**
Net assets	**79,418**	**103,792**
EQUITY		
Share capital	120,742	120,742
Retained earnings	(42,028)	(16,573)
Reserves	704	(377)
Total equity	**79,418**	**103,792**

[1]The Tax Deferred assets carrying value are dependent on the successful recapitalisation of the Company and compliance with tax legislation.

The above statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the year ended 30 June 2019

	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 2018	**39,268**	**120,742**	**(16,573)**	**(377)**	**103,792**
Adjustment on initial application of AASB 9 (net of tax)	-	-	(6,842)	-	**(6,842)**
	39,268	**120,742**	**(23,415)**	**(377)**	**96,950**
Total comprehensive income for the year					
Profit/(loss) for the year	-	-	(18,613)	-	**(18,613)**
Foreign currency translation differences	-	-	-	1,134	**1,134**
Cash flow hedge reserve	-	-	-	(53)	**(53)**
Total comprehensive income/(loss) for the year	-	-	(18,613)	1,081	**(17,532)**
Transactions with owners of the Company					
Dividends recognised and paid during the year	-	-	-	-	**-**
Share issue costs	-	-	-	-	**-**
Shares issued under dividend reinvestment plan	-	-	-	-	**-**
Total contributions by and (distributions to) owners of the Company	-	-	-	-	**-**
Balance at 30 June 2019	**39,268**	**120,742**	**(42,028)**	**704**	**79,418**

	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 2017	**39,043**	**119,330**	**45,968**	**(226)**	**165,072**
Total comprehensive income for the year					
Profit for the year	-	-	(48,814)	-	**(48,814)**
Foreign currency translation differences	-	-	-	(394)	**(394)**
Cash flow hedge reserve	-	-	-	243	**243**
Total comprehensive income for the year	-	-	(48,814)	(151)	**(48,965)**
Transactions with owners of the Company					
Dividends recognised and paid during the year	-	-	(13,727)	-	(13,727)
Share issue costs	-	(13)	-	-	(13)
Shares issued under dividend reinvestment plan	225	1,425	-	-	1,425
Total contributions by and (distributions to) owners of the Company	225	1,412	(13,727)	-	(12,315)
Balance at 30 June 2018	**39,268**	**120,742**	**(16,573)**	**(377)**	**103,792**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the year ended 30 June 2019

	2019 $000's	2018 $000's
Cash flows from operating activities		
Receipts from customers	338,619	348,920
Payments to suppliers and employees	(148,867)	(157,897)
Finance costs paid	(16,653)	(13,614)
Interest received	107	59
Income taxes recovered/(paid)	2,297	(12,495)
GST recovered/(paid)	(1,982)	957
Net cash from operating activities	**173,521**	**165,930**
Cash flows from investing activities		
Payments for plant and equipment	(150,655)	(245,839)
Payments for internal and intangible assets	(1,600)	(2,219)
Proceeds from sale of plant and equipment	76,664	93,939
Payments for other investing activities	-	(204)
Net cash used in investing activities	**(75,591)**	**(154,323)**
Cash flows from financing activities		
Proceeds from borrowings	19,279	126,121
Repayment of borrowings	(69,820)	(97,239)
Transaction costs paid in relation to loans and borrowings	-	(6,217)
Transaction costs paid in relation to issue of shares	-	(13)
Dividends paid	-	(12,301)
Net cash from financing activities	**(50,541)**	**10,351**
Net increase in cash held	47,389	21,958
Cash at beginning of year	29,265	7,307
Cash and cash equivalents at end of year	**76,654**[1]	**29,265**

[1]The end of financial year cash balance includes restricted cash of $54.2 million at 30 June 2019 (2018: $10.9 million) representing securitised cash flows held by the SIV Equipment Trust No. 1. Refer Note 5 Events subsequent to balance date.

The above statement of cash flows should be read in conjunction with the accompanying notes.

Condensed notes to the preliminary final report

For the year ended 30 June 2019

1. Basis of Preparation

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 preliminary unaudited final report of the Company as at and for the year ended 30 June 2019 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 preliminary final report has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. It is based on accounts which are in the process of being audited. The preliminary final report does not include all the information required for full annual consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 June 2018 which are available at silverchef.group.com.au. The consolidated financial statements as at and for the year ended 30 June 2019 will be available on or before 30 September 2019.

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 preliminary final report is presented in Australian dollars, which is the Company's functional currency.

Use of estimates and judgements

In preparing the preliminary final report, 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 2019 relate primarily to potential impairment against financial and non-financial assets (refer notes 1(d), 1(e) and 1(f)).

In addition, the Group is required to assess the use of the going concern basis in the preparation of financial information. The Board and Management apply judgement, having undertaken appropriate enquiries and having considered the business activities and the Group's principal risks and uncertainties, together with the assumptions and estimates used to calculate future cash flow projections (refer note 1(g)).

1. Basis of Preparation (continued)

Significant accounting policies

The significant accounting policies adopted in the preparation of the preliminary final report are set out below.

a) Basis of consolidation

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 can 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.

Structured Entities (SE) are entities created to accomplish a specific and well-defined objective such as the securitisation of assets or the execution of a specific borrowing or lending transaction. Critical judgments are applied in determining whether an SE is controlled and consolidated by the Group. An SE is consolidated if the Group is exposed to, or has rights to, variable returns from its involvement with the SE and can affect those returns through its power over the SE.

The main type of SE established by the Group is a securitisation trust. The securitisation trust is controlled by the Group and is consolidated in the preliminary final report.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the preliminary final report.

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) Impairment of 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.

1. Basis of Preparation (continued)

Significant accounting policies (continued)

d) Impairment of rental and idle assets (continued)

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.

e) Impairment of trade and other receivables

In accordance with AASB 9 Financial Instruments, provisions for impairment recognised in relation to financial assets reflect the expected credit losses of those assets. AASB 9 was implemented by the Group on 1 July 2018. The accompanying accounting policy and implementation effect on retained earnings has been outlined under Note 1(f). The main non-derivative financial assets held by the Group are contract debtors and lease receivables.

f) New accounting standards adopted

A number of new standards became applicable for the current reporting period and the Group has had to change its accounting policies and make retrospective adjustments in the Group's financial statements as a result of adopting AASB 9 *Financial instruments.*

AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced AASB 118 *Revenue,* AASB 111 *Construction Contracts* and related interpretations. There has been no impact on the Group financial statements on application of this standard and therefore no retrospective adjustments have been recorded.

AASB 9 Financial Instruments

AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 sets out requirements for recognising, classifying and measuring financial assets and financial liabilities and impairment of financial assets. This standard replaces AASB 139 *Financial Instruments: Recognition and Measurement.*

Classification and measurement

There are three measurement classifications under AASB 9: Amortised cost, fair value through profit or loss ('FVTPL') and, for financial assets, fair value through other comprehensive income ('FVOCI'). Financial assets are classified into these measurement classifications taking into account the business model within which they are managed, and their contractual cash flow characteristics. Trade and lease receivables are measured at amortised cost and are held with the objective of collecting the contractual cash flows on a specific date consisting of solely principal and interest. Similarly, under AASB 139, financial assets were classified as trade and lease receivables and measured at amortised cost.

1. Basis of Preparation (continued)

Significant accounting policies (continued)

f) New accounting standards adopted (continued)

The classification and measurement requirements for financial liabilities under AASB 9 are largely consistent with AASB 139 with the exception that for financial liabilities designated as measured at fair value, gains or losses relating to changes in the consolidated entity's own credit risk are included in other comprehensive income.

There have been no material impacts to the Group's recognition and classification of financial instruments arising from the adoption of AASB 9.

General hedge accounting

AASB 9 introduces general hedge accounting requirements which more closely align with risk management activities undertaken when hedging financial and non-financial risks. AASB 9 provides an accounting policy choice to continue with AASB 139 Hedge Accounting given the International Accounting Standards Board's ongoing project on macro hedge accounting. The Group has chosen to continue to apply AASB 139.

Impairment of financial assets

In accordance with AASB 9, provisions for impairment now reflect expected credit losses for trade and other receivables, which consists of both trade and finance lease receivables. Expected credit losses are calculated as the probability of default multiplied by loss given default multiplied by exposure at default.

The credit models are calibrated to reflect historical observed experience, as well as reflecting the influence of unbiased forward-looking views of macroeconomic variables that influence credit losses.

Financial assets that are subject to credit risk are assigned to one of three stages and could be reassigned based on changes in asset quality.

Stage 1 are performing and/or new originated finance lease receivables and reflect expected credit losses for a period of 12 months.

Stage 2 assets have experienced a significant increase in credit risk since origination which reflect operating and finance lease receivables where payments have fallen into arrears. Provisions for stage 2 reflect lifetime expected credit loss for the receivable.

Stage 3 are impaired assets and provisions for impairment reflect lifetime expected credit losses.

Expected credit losses are now recognised for all receivables including newly originated and performing receivables.

The expected credit loss as a percentage of the receivable balances increases from stage 1 through to stage 3 where:

- Trade receivables are now fully impaired at 90 days past due
- Finance lease receivables are now fully impaired at 40 weeks past due

The Company continues to book impairment at a collective level using historical information on the likelihood of recoveries until the above time periods are reached. Losses are recognised in profit or loss and reflected in an allowance account.

Even after a contract is fully impaired, the Group continues to attempt recovery and only writes off the net book debt of the contract when it has exhausted all reasonable efforts.

1. Basis of Preparation (continued)

Significant accounting policies (continued)

f) New accounting standards adopted (continued)

Transitional impact on implementation of AASB 9

The following table summarises the impact, net of tax, of transition to AASB 9 on the opening balance (i.e. 1 July 2018) of retained earnings and NCI:

$000's	30 June 2018 As originally presented	Impact of adopting AASB 9 on opening balance	1 July 2018 Restated
Trade and other receivables			
- allowance for impairment losses	(46,753)	(9,707)	(56,460)
Deferred tax assets	33,435	2,865	36,300
Retained earnings/ (Accumulated losses)	(16,573)	(6,842)	(23,415)

g) Going concern

The preliminary financial report has been prepared on a going concern basis, which contemplates the continuity of normal activities and realisation of assets and settlement of liabilities in the normal course of business.

The Group has been in breach of its debt covenants since 30 June 2018. Waivers have been extended through the period conditional on a minimum capital requirement of $45 million to be available to repay the Syndicate Debt Facility and to ensure the syndicated Lenders' Hospitality net debt to net rental asset ratio is no greater than 65%.

On 3 July 2019, the Company announced it had entered into a binding Scheme Implementation Agreement with a consortium of investors investing under the leadership of Next Capital Pty Ltd to acquire all of the shares in the Company (except those shares elected to be retained by the Founder Shareholders) by way of a scheme of arrangement (Scheme). In addition, the investors also agreed to provide additional working capital to the Company subject to the Scheme being implemented. The amount of additional capital is sufficient to remedy the debt covenant breaches under the Syndicated Debt Facility and its Securitisation Warehouse Facility and provide working capital to meet the company's current growth projections.

The waivers have been extended until 30 November 2019 conditional on implementation of the Scheme. If the Scheme is not approved and implemented, the Company and the Lenders must negotiate for 30 days to determine the effect that the termination of the Scheme has had or will have on Silver Chef and its ability to comply with its obligations under the facilities. Following the negotiations, if a recapitalisation plan is not agreed within the 30 day period, or an extension of time is not granted, the financiers have the right to demand repayment of outstanding borrowings.

In addition to considering the implementation of the Scheme the Directors have considered other alternatives including the continued reduction in originations with an orderly repayment of its borrowings to its financiers or an orderly wind down of the business. Any alternative to the Scheme requires financier consent.

1. Basis of Preparation (continued)

Significant accounting policies (continued)

g) Going concern (continued)

The continuing viability of the Group and its ability to continue as a going concern is critically dependent upon approval and successful implementation of the Scheme or the acceptance by the Company's financiers of an alternative. Should the shareholders vote against the Scheme and after the 30 day consultation period the Company and the financiers are unable to agree on a viable alternative proposal, as discussed above the Group's financiers will have the right to seek repayment of the Group's outstanding borrowings. If this occurs, there is significant uncertainty that the Group will continue as a going concern and it may be required to realise assets at amounts different to their carrying amounts and settle liabilities other than in the ordinary course of business.

While the Directors have no certainty that the Scheme will be implemented, or if the Group's financiers will consent to any alternatives, the Directors have prepared the preliminary financial report on a going concern basis, on the basis of the Directors' recommendation to shareholders to accept the Scheme which is supported by the Company's financiers. As a consequence, no further adjustments have been made to the financial report relating to the recoverability and classification of asset carrying amounts or the amounts and classifications of liabilities that might be necessary should the Group not continue as a going concern.

2. Results

a) Segment information

The Group has two reportable segments based on the strategic management of the Group's underlying brands, being Hospitality and GoGetta. At the end of February 2018, the Group made the decision to exit its GoGetta brand by ceasing to originate rental contracts and progressively running down its existing asset base. The movements below between the current reporting period and the comparative period reflect the reduction in this segment year on year as a result of this strategic decision.

For each of the segments below, the Group's Chief Executive Officer (the chief operating decision maker) and other Executive Managers review internal management reports monthly. The following summary describes the operations in each of the Group's reportable segments:

- Hospitality – Providing equipment rental finance predominately to the hospitality industry; and
- GoGetta – Providing equipment rental finance to other industries

	Hospitality		GoGetta		Unallocated		Total	
Reportable Segments	**2019 $000's**	**2018 $000's**	**2019 $000's**	**2018 $000's**	**2019 $000's**	**2018 $000's**	**2019 $000's**	**2018 $000's**
External revenue	185,397	178,390	47,170	104,230	2,829	4,518	**235,396**	287,138
Depreciation and amortisation	(83,372)	(80,413)	(25,951)	(55,657)	(1,849)	(1,929)	**(111,172)**	(137,999)
Interest expense	(14,850)	(10,860)	(3,098)	(10,224)	-	-	**(17,948)**	(21,084)
Loss on sale of property, plant and equipment	(5,871)	(5,308)	(10,860)	(12,689)	(4)	(2)	**(16,735)**	(17,999)
Bad and doubtful debt expense	(17,373)	(22,767)	(2,559)	(30,161)	-	(41)	**(19,932)**	(52,969)
Impairment on property, plant and equipment	(16,737)	(11,899)	(3,660)	(27,470)	(735)	-	**(21,133)**	(39,369)
Reportable profit before tax	**13,750**	12,325	**(7,188)**	(53,250)	**(31,656)**	(27,461)	**(25,094)**	(68,386)
Reportable segment assets	331,973	314,138	58,168	146,951	29,070	37,043	**419,211**	497,575
Rental equipment acquired during the year	150,655	177,166	-	68,673	-	-	**150,655**	245,839
Reportable segment liabilities	(306,623)	(283,752)	(24,709)	(105,791)	(8,461)	(4,797)	**(339,793)**	(393,783)

2. Results (continued)

b) Taxation

Current tax expense	**2019 $000's**	**2018 $000's**
Tax recognised in profit or loss		
Current year	1,269	1,244
Increase in deferred tax asset posted from equity	182	70
Deferred tax expense	(7,932)	(20,886)
	(6,481)	**(19,572)**

Reconciliation of effective tax rate	**%**	**2019 $000's**	**%**	**2018 $000's**
Profit/(loss) for the year		(18,613)		(48,814)
Total tax (benefit)/expense		(6,481)		(19,572)
Profit/(loss) before tax		**(25,094)**		**(68,386)**
Tax using the Company's domestic tax rate	30.00	(7,528)	30.00	(20,516)
Non-deductible expenses	(3.48)	874	(1.31)	893
Other	(0.69)	173	(0.07)	(51)
	25.83	**(6,481)**	**28.62**	**(19,572)**

3. Capital Structure

a) Interest-bearing liabilities

	2019 $000's	**2018 $000's**
Current		
Bank loans[1]	197,658	266,394
Securitised debt facility[2]	95,596	76,317
	293,254	**342,711**

[1] In March 2018, the Group amended its Syndicated Facility Agreement (originally entered in August 2015). The facility had a limit of $350 million and a term of three years. The Agreement was amended to reflect the revised funding and reporting requirements of the Company post the decision to exit its GoGetta business and further amended on 31 May 2019. The debt is classified as current as the Company has breached its debt covenants as a result of the FY18 statutory loss. A waiver was obtained before 30 June 2018 and has subsequently been extended to 30 November 2019 subject to shareholders approving the Scheme of Arrangement.

[2] The securitised debt is classified as current as the Company has breached its Securitisation Facility covenants. As at 30 June $54.2 million of restricted cash is held within the Securitisation Facility. Subsequent to year end $35.9 million of the Securitisation facility was repaid. Refer Note 5, Events subsequent to balance date.

3. Capital Structure (continued)

b) Dividends and shares issued

There were no interim or final dividends paid or declared during the financial year ended 30 June 2019.

The movement in ordinary shareholdings for the year ended 30 June 2019 was as follows:

Share capital	**2019 000's**	**2018 000's**
On issue at 1 July	39,268	39,043
Issued under dividend reinvestment plan	-	225
Issued via placement	-	-
Issued under employee share scheme	-	-
On issue at 30 June	**39,268**	**39,268**

4. Other Items

a) Trade and finance lease receivables

The ageing of trade receivables at 30 June 2019 is detailed below. Note these balances do not include bonds which are available for offset.

	2019 $000's		**2018 $000's**	
	Gross	**Allowance for Doubtful Debts**	**Gross**	**Allowance for Doubtful Debts**
Not past due	1,028	-	2,772	-
Past due 1-4 weeks	665	(102)	2,383	(625)
Past due 5-7 weeks	794	(164)	1,562	(720)
Past due 8-12 weeks	701	(207)	2,047	(1,223)
Past due + 12 weeks	21,986	(18,864)	38,005	(31,187)
Total trade receivables	**25,174**	**(19,337)**	**46,769**	**(33,755)**

4. Other Items (continued)

a) Trade and finance lease receivables (continued)

The ageing of finance lease receivables at 30 June 2019 is detailed below. Note these balances include the amortised cost of finance lease receivables together with their arrears, but do not include bonds which are available for offset.

	2019 $000's		2018 $000's	
	Gross	Allowance for Doubtful Debts	Gross	Allowance for Doubtful Debts
Not past due	60,713	(1,435)	90,093	-
Past due 1-4 weeks	4,765	(992)	7,891	(620)
Past due 5-7 weeks	1,367	(564)	1,124	(326)
Past due 8-12 weeks	1,454	(742)	2,507	(545)
Past due + 12 weeks	19,659	(16,464)	20,326	(11,507)
Total finance lease receivables	**87,958**	**(20,197)**	**121,941**	**(12,998)**

5. Events subsequent to balance date

On 3 July 2019 the Company announced it had entered into a binding Scheme of Arrangement with a consortium of investors investing under the leadership of Next Capital Pty Ltd to acquire all the shares in the Company (except those shares elected to be retained by the Founder Shareholders) and provide additional working capital to the Company. The amount of additional capital is sufficient to remedy the debt covenant breaches under the Syndicated Debt Facility and its Securitisation Warehouse Facility and provide working capital to meet the Company's current growth projections.

The Group's financiers have provided waivers to 30 November 2019 conditional on implementation of the Scheme of Arrangement. In the event that shareholders vote to not accept the Scheme of Arrangement, the Company has 30 days to agree an alternative recapitalisation plan acceptable to its financiers. If a recapitalisation plan is not agreed within 30 days or an extension of time is not granted, the financiers have the right to demand repayment of outstanding borrowings.

As a further condition of the waiver, $35.9 million of the Securitised Debt Facility was repaid in July 2019 and the Securitised Facility Limit was reduced to $140 million.

Other than the matters disclosed above, there are no other matters or circumstances that have arisen since the end of the reporting period, which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs or the consolidated entity in the future financial years.