Silver Chef Limited
Appendix 4E
ASX Preliminary Final Report
30 June 2006

Lodged with the ASX under Listing Rule 4.3

Contents

Attachment Silver Chef Limited 2006 Annual Financial Report

Results for Announcement to the Market

Summary of Financial Information

Extracts from this report for announcement to the market:

Full Year Comparison

	12 months ended 30 June 2006 \$000's	12 months ended 30 June 2005 \$000's	Movement \$000's	Movement %
Revenue from rental activities	15,726	8,576	7,150	83.4
Revenue from continuing operations	16,435	9,198	7,237	78.7
Profit (loss) after income tax for the half-year attributable to members	1,809	808	1,001	123.9
Net profit (loss) for the period attributable to members	1,809	808	1,001	123.9

Earnings per Share and Net Tangible Asset Backing

	12 months ended 30 June 2006 cents	12 months ended 30 June 2005 cents
Basic earnings per security	16.1	9.6
Diluted earnings per security	14.3	9.4
Net tangible assets per security	67.3	35.4

Ratios

	30 June 2006 %	30 June 2005 %
Profit before tax / revenue Profit (loss) from ordinary activities before tax as a percentage of revenue	15.9	12.2
Profit after tax / equity interests Net profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	13.5	7.2

Dividends

The Company paid a final dividend for FY 2005 of \$334,934 on 21 October 2005.

An interim dividend for FY 2006 of \$735,689 was paid on 5 May 2006 and at a meeting of Directors on 24 August 2006, the Directors declared a fully franked dividend of 5.5 cents per share proposed to be paid on 20 October 2006, to shareholders registered as at 5 pm on the 6 October 2006. This will bring the dividend paid on the FY 2006 to 12 cents per share.

Significant Dates

	Date
Annual Report and Notice of Proxy mailed by.	**22 September 2006**
Annual General Meeting*	**26 October 2006**

*The Annual General Meeting will be held at the offices of McCullough Robertson Lawyers, L11 Central Plaza 2, 66 Eagle Street Brisbane, on 26 October, 2006 at 9.00AM.

Financial Details and Review of Operations

Refer attached audited financial report, in particular the Chairman's review and Managing Director's Review.

Compliance Statement

1. This Appendix 4E has been prepared in accordance with AASB Standards, the Corporations Act 2001 and Corporations Regulations 2001; and other standards acceptable to the ASX.
2. This Appendix 4E, and the accounts upon which the Appendix 4E is based (if separate), use the same accounting policies.
3. This Appendix 4E does give a true and fair view of the matters disclosed.
4. This Appendix 4E is based on financial statements which have been audited.
5. The entity has a formally constituted audit and risk management committee.

Silver Chef Limited

Peter Harding-Smith
Company Secretary
Dated 29 August at Brisbane

SILVER CHEF LIMITED AND CONTROLLED ENTITIES

ABN 28 011 045 828

ANNUAL FINANCIAL REPORT

30 JUNE 2006

Contents

Silver Chef Limited 2006 performance at a glance

- ❖ Rental income up 82.37% over prior year

Sales Regions	Growth
NSW/ACT	101.74%
QLD	55.54%
VIC/SA/TAS	19.54%
WA/NT	112.19%

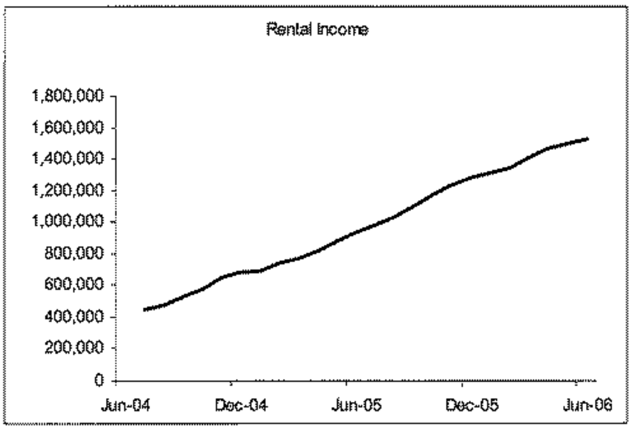
- ❖ Profit after tax up 124% over prior year.
- ❖ Earnings per share up 68% to 16.1 cents per share
- ❖ Final dividend of 5.5 cents per share, total year 12 cents per share.
- ❖ Rights issue in June 2006 raising $3.14 million, 2,092,586 shares.
- ❖ 13,407,040 shares on issue after rights issue.

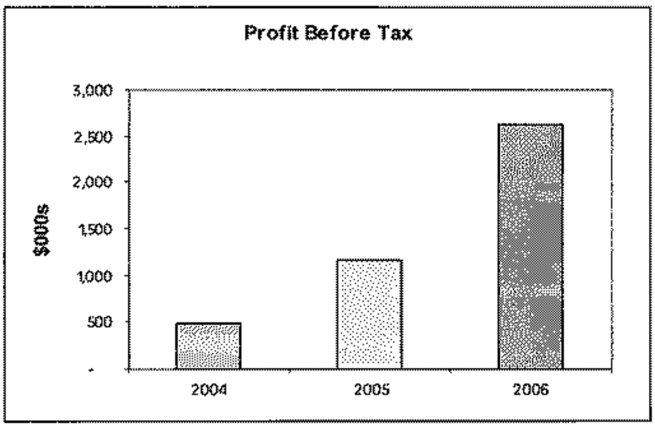
Selected Trading Figures

$000	Year ended 30 Jun 06	Year ended 30 Jun 05	Year ended 30 Jun 04
Rental income	15,726	8,576	3,956
Total revenue	16,435	9,198	5,120
Depreciation expense	(6,098)	(3,315)	(1,506)
Expenses from ordinary activities (excluding depreciation)	(5,077)	(3,075)	(2,724)
Borrowing costs	(2,676)	(1,682)	(394)
Change in fair value of investment property	35	-	-
Profit from ordinary activities before income tax expense	2,619	1,126	496
Income tax expense	(810)	(318)	(129)
Net profit from ordinary activities after income tax expense	1,809	808	367

Selected Financial Items

$000			
Net cash flows from operating activities	10,025	5,053	3,114
Cash assets	3,746	8,457	4,440
Carrying amount of rental equipment	30,214	17,839	7,522
Total assets	39,816	30,233	15,992
Interest bearing liabilities-current	(14,494)	(832)	(3,312)
Interest bearing liabilities-non current	(9,265)	(20,002)	(6,921)
Net assets	8,849	4,893	2,557





Chairman's Review

The 2006 financial year has seen Silver Chef continue to deliver its strong profit growth. This reinforces the founder, Allan English's decision to float the Company to source the capital to fund this expansion.

Results
Net profit after tax increased from $0.808 million in 2004-05 to $1.81 million in 2005-06, representing growth of 124 per cent. This was within the guidance range provided to the market in February 2006. Basic earnings per share were 16.1 cents (9.6 cents in 2005).

This represents a return on average shareholders funds of approximately 29 per cent. This level of return on assets employed is one of the factors which makes Silver Chef's business model so attractive.

A fully franked final dividend of 5.5 cents per share will be paid for the half year bringing the full year dividend payment to 12 cents per share. The Company's share capital expanded by 2.1 million shares to 13.4 million shares pursuant to the rights issue in June 2006.

Progress over last two years

Over the last two years the Company has:

- Raised $13.4 million in unsecured notes to fund the rollout of its expanded distribution model
- Raised equity of $3 million and Convertible Notes totalling $5 million pursuant to its Prospectus dated 12 April 2005; the Company listed on ASX on 26 May 2005
- Raised equity of $3.1 million in June 2006 by a rights issue. This capital raising was at $1.50 per share, 50 per cent above our IPO issue price 12 months ago and was very well supported
- Continued to expand and improve its systems
- Appointed new dealers in its distribution channel: in the last 18 months the number of dealers has increased by approximately 48 per cent
- Appointed new senior executives, including: Regional Sales Managers in NSW and Victoria; Chief Financial Officer in December 2004; and Marketing Manager in October 2005. These appointments complement the key persons the Company has been fortunate to attract over the years
- Expanded its financing beyond the food service sector by sourcing new alliance partners in other industry sectors. These include medical, commercial cleaning, audio/lighting and industrial compressor sectors.

Outlook

We expect Silver Chef's growth to continue, albeit at a slower rate than over the last two years. Traditional lending institutions lack experience in providing finance for the hospitality sector. Silver Chef's 20 years of catering equipment experience and its ability to remarket equipment through its dealer network, provide it with an advantageous position in this market. We have seen a decline in consumer sentiment (which in turn has an impact on our customers in the hospitality sector) over the last 12 months or so and have taken this into account in our 2007 budget.

As Allan outlines in his report, while we expect sound growth from the hospitality sector, a key driver in achieving higher levels of growth will be the development of alliance partnerships with equipment sales organisations in non-hospitality sectors. We are making steady progress in this area. However the research conducted into new sectors and structures implemented to date will be valuable in assisting rapid rollouts for the right products groups (and alliance partners) as they are identified.

Debt Finance

We are close to reaching agreement with a financier to provide a debt facility to fund our asset growth and repay the $13.4 million in unsecured notes due in June 2007. Most terms have been agreed and due diligence is close to completion. Importantly, we have had sound levels of interest from other financiers in respect to this. This is an important milestone in the Company's growth and we think this funding will enable us to build our asset base to a size which will enable securitisation funding to be introduced. Further, it will enable significant growth in assets without the need for more equity capital.

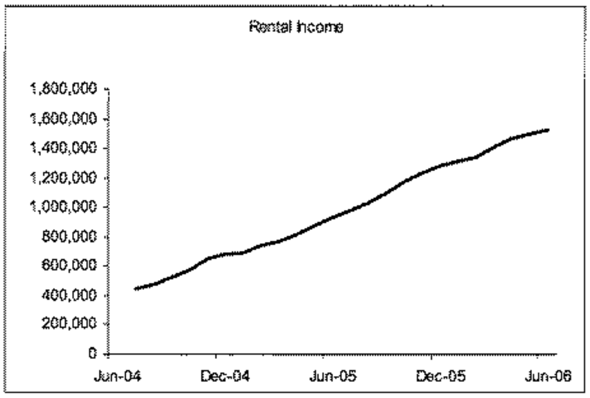
There are always major challenges in a growing company, with not enough people to help handle them. The fact that Allan English and his hardworking team have met and dealt with these challenges and implemented the systems and procedures in place to manage more growth in the year ahead, is a credit to them and I thank them for this. In addition, I thank shareholders for their support and genuine interest in our activities, as demonstrated by the strong support for our June rights issue.

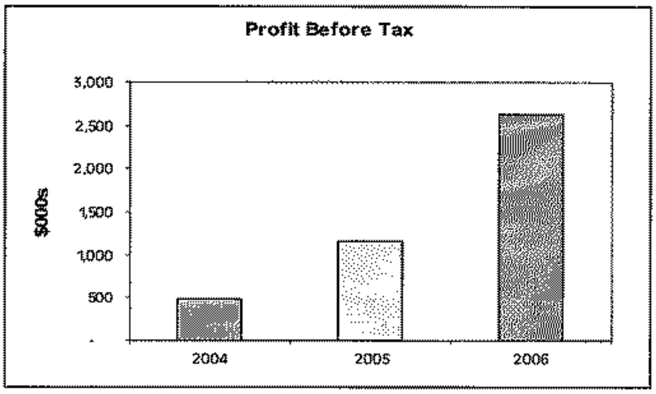
Andrew Kemp
Chairman

Managing Director's Report

Financial Performance

I am delighted to report that our hard working team has delivered another year of significant growth in our Silver Chef business.





Our growth has come from our traditional hospitality industry with increased business in our core Queensland market and particular focus in New South Wales has delivered outstanding growth. Silver Chef has been successful in gaining national accounts such as Video Ezy, Jesters Pies, Max Brenner who have chosen the Rent Try Buy® program for their franchisees. The hospitality industry still represents 83% of our rental income clients.

New Rental Product

In May 2006 Silver Chef released a new rental program called SWIFT that was targeting clients with assets that had a faster depreciation rate than our standard equipment programs. The SWIFT package essentially means that the clients are paying a higher weekly rental, but allowing for their rental rebates, they are paying off the asset more swiftly. This new rental package will give a wider potential audience which we have traditionally not been able to service. Items such as custom-made refrigeration and benching that have in the past been financed by traditional financial institutions are now able to be serviced by the SWIFT package. Since its introduction, assets to the value of more than $250,000 have been signed with momentum growing each month.

Retention Package

Our offer to the clients is a 12-month Rent Try Buy® program where at the end of 12 months the client has the option to purchase the equipment or continue to keep on renting. For those clients wishing to pay out their equipment, we have created a new rental package offering a reduced rental should the client be willing to sign for a further 12 months. This program has been very successful since launched in February of this year. The new rental package has resulted in increased rental income of $20K per month. With less clients paying out their contract early, the company is able to maintain its level of recurring income.

Competition

The banks and some smaller finance companies have been more active in the hospitality sector this year than in previous times. We have seen more clients visiting our dealer showrooms with a pre-approved line of credit to proceed with their business. The focus for the competition still remains on clients who are buying their own home and can provide real estate security for debt.

Many of the new clients entering the industry are from Generation 'Y' being 30 years and under, who have found that today's prices for real estate makes it difficult to enter the housing market and that they are purchasing a hospitality business with a view to building up some capital to purchase property at a later stage. This is a growing trend, and as most banks and finance companies will not finance business owners who don't own real estate, we believe that our current policy of a single-page Application Form and no real estate security requirements will continue to give us a point of difference to our competitors.

Investing In Our People

Silver Chef is proud to receive accreditation this year from an internationally recognised Investors In People program where external auditors measure the management's performance and commitment to staff development. This year we have employed a full-time Human Resources Manager and launched an Employee Benefit Program. Significant resources have been put into the development of training programs for all our Regional Sales Managers who in turn will use these training modules to further develop the skills of our dealer networks sales community. The impact of our initiatives in these areas positions the Company to execute strong marketing campaigns that effectively service new clients.

Used Equipment Stock Levels

The Company continues to focus on developing marketing programs to ensure that our unproductive assets that aren't currently earning income are put back out to the marketplace as swiftly as possible. A particular focus this year will be on the development of our website to further generate enquiries that can be passed through to our dealer network.

Risk Management Issues

Some of the key areas of focus for Management are:

- To look at the comparison of our average contract performance compared to prior years to ensure that our knowledge and understanding of the performance of our rental contracts when customers purchase, average length etc., are continually brought under scrutiny and benchmarked for future years.
- We conduct Annual Credit Reviews and seek improvements and recommendations to our credit matrix.
- Development of Alliance Partnership Agreements with a particular focus on remarketing of used assets.
- Key peformance indicators are reviewed against bad debt performance. The Company has continued to perform against the established benchmark of having bad debt being less than 1.6% of rental income.

Our Future

We are forecasting further growth to come from the hospitality sector as the Silver Chef brand and Rent Try Buy® programs become more recogniseable within the hospitality industry.

The key driver for our future growth will be the development of alliance partnerships with equipment sales organisations in the non-hospitality sector. The alliance partnership structure will provide a re-marketing agreement to ensure that assets are recycled into new rental contracts upon return. We firmly believe that the Rent Try Buy® offer can significantly add value to an equipment sales organisation in establishing a point of difference to their competitors.

While there is still potential for growth in the hospitality industry, we see our future as a diversified financial services business with the potential to provide a strong future for the Company.

At our Strategic Planning meeting this year, we have revised upwards our three-year goal to achieve $40M in rental income. We have also targeted a reduction of costs by 10% (in the past year we managed to reduce costs per contract by 5%).

Our goal is to increase our non-hospitality equipment rental programs to be 40% of the total rental income within the next three years. Currently we are sitting at 17%.

We are investing significantly in new software that will be installed in the next six months that will further reduce our cost per contract, and improve our service levels to our dealers with web-based application forms and a far higher degree of reporting.

Company's Financial Situation

The Silver Chef team has grown sales and profits while at the same time reducing the operating cost per contract. The rental margins in the business have been maintained. With the introduction of the SWIFT package, we should see an increased margin in the next financial year. With the introduction of new software, we have an expectation of the delivery of a 20% to 40% savings in efficiency, with an ROI of three years.

In the 2007 financial year, the unsecured note issue of $13.4 million will mature and the Company is close to reaching agreement with a financier to secure a debt facility to pay out these notes and provide working capital for the future. The rights issue in June 2006 has provided Silver Chef with sufficient working capital to fund the business while the debt facility is being finalised. Silver Chef is a strong cashflow business generating over $10 million in net operating cashflow, an increase of approximately 100% over the previous year. The forecasts for the next 12 months are positive and we will continue to see strong cashflows being generated by the Company.

The dividend policy was revised in 2006 half year report and was increased to 75% to 80% of the after tax profit to equity holders. The dividend paid from after tax earnings for financial year 2006 is $1,473,076 which is just over the 80% guidance.

Allan English
Managing Director

For the year ended 30 June 2006

The directors present their report together with the financial report of Silver Chef Limited ("the Company") and of the consolidated entity, being the Company and its controlled entities, for the year ended 30 June 2006 and the auditor's report thereon.

Directors

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

Names	Qualifications, experience and special responsibilities
Andrew Kemp Age 55 B.Comm, CA	Appointed 24 February 2005. Heads Huntington Group Pty Limited, a Brisbane based investment banking and corporate advisory company. Has experience in chartered accounting with KPMG and Littlewoods, merchant banking with AFIC (an affiliate of ANZ Banking Group) and since 1987 with Huntington Group. He is currently Chairman of Sunnycove Management Limited (appointed March 2004), a director of S8 Limited (appointed February 2004) and Trojan Equities Limited (appointed March 2005). He is also an alternate director of Newcastle Stock Exchange listed company Pacific Turbine Brisbane Limited (appointed December 2004).
Bede King Age 50 FFINSIA	Appointed 7 March 2005. Bede King is a partner of Tobin King Lateef, Solicitors & Notaries. He is a fellow of the Financial Services Institute of Australia. He is also the National Chairman of YHA Australia, a director of several non-listed companies and a member of various compliance committees for property and equity funds.
Allan English Age 51	The founder of Silver Chef Limited. Has had extensive experience in the hospitality industry with over 24 years in the equipment sales, service and rental sectors. He is also a director of several non-listed companies. He is the Managing Director and has overall responsibility for all aspects of the Silver Chef group operations.

Independent Chairman of Audit and Risk Management Committee, Alternate Director

Don Mackenzie Age 61 FCA	Appointed in March 2005. Don is a Fellow of the Institute of Chartered Accountants in Australia and commenced his professional career with Price Waterhouse in 1964, and in 1976 after leaving that firm held senior positions with public companies in Queensland involved in agribusiness and manufacturing industries. In 1993, he commenced practice providing corporate services predominantly to public companies involved in manufacturing, agribusiness, mining and information technology. He is currently a director of Forest Place Group Limited (appointed March 2004), Occupational & Medical Innovations Limited (appointed November 2004) and was a Director of Australian Food & Fibre Limited from July 2004 to June 2005

Company Secretary

Peter Harding-Smith 37 B.Bus, CA, FFINSIA, JP	Appointed 1 December 2004. Peter is a Chartered Accountant. After working with Price Waterhouse in Brisbane he went to London for two years and worked in the investment banking industry. Upon return, was appointed Chief Financial Officer for Provet Holdings Limited, one of Australia's largest veterinary wholesalers. Peter is also a fellow of the Financial Services Institute of Australia and Justice of the Peace.

Attendance at meetings of the Board and Board Committee

Attendance by each member during the year were:

	Board Meetings		Audit and Risk Management Committee	
	A	B	A	B
Director				
Andrew Kemp	12	12	3	3
Allan English	12	12	-	-
Bede King	11	12	3	3
Independent Chairman of Audit and Risk Management Committee, Alternate Director				
Don Mackenzie	-	-	3	3

A – Number of meetings attended
B – Number of meetings held during the time members held office during the year

Objectives

The consolidated entity's objectives are to:

- Continue to expand the commercial catering equipment segment in all states of Australia, with emphasis in New South Wales and Victoria
- To diversify the rental stream by increasing alliances with strong partners
- To reduce the level of idle equipment
- Continue to focus on minimising the cost per contract and achieve efficiencies in the business through the implementation of improved software and work flow
- Increase the dealer network acceptance of the Rent Try Buy program
- Increase staff satisfaction.

Operating and financial review

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

- Net profit after tax increased from $0.808 million in 2004-05 to $1.809 million in 2005-06, representing growth of 124% per cent. This was achieved on growth in rental revenue from $8.58 million in 2004-05 to $15.64 million in 2005-06.

- In addition to expanding its dealer network, the consolidated entity expanded its financing beyond the hospitality sector by sourcing new alliance partners in other industry sectors. These include medical, commercial cleaning, audio & lighting and industrial compressor sectors.

Impact of legislation and other external requirements

From 1 July 2005 the consolidated entity is required to comply with the Australian equivalents to International Financial Reporting Standards (AIFRS) issued by the Australian Accounting Standards Board. The impact of the resulting changes in accounting policies are disclosed in Note 33 of the financial report.

There were no changes in environment or other legislative requirements during the year that have significantly impacted the results or operations of the consolidated entity.

Significant changes in the state of affairs

The consolidated entity's total assets increased by $9.58 million to $39.81 million. The increase in total assets principally comprised:

- Increase in the carrying amount of trade debtors of $383,778 mainly due to the increase in turnover
- Increase in rental assets of $16,122,731 reflecting the expansion of the business in traditional markets and new alliance partnerships
- Increase in investment properties of $726,193
- Decrease in cash assets of $4,711,258 reflecting the consumption of cash raised at the IPO, offset by cash raised from the rights issue
- Borrowings increased during the year by $2,055,777 reflecting some hire purchase/asset loans entered into prior to the rights issue.

Dividends

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

Type	Total Amount $	Date of Payment
Declared and paid during the year		
Final Dividend - 2005	334,934	21 October 2005
Interim Dividend – 2006	735,689	5 May 2006
		Proposed date of payment
Dividend declared – after year-end		
Final Dividend – 2006	737,387	20 October 2006

All franked dividends paid or declared by the Company since the end of the previous financial year were franked at 30%.

Events subsequent to reporting date

We are close to reaching agreement with a financier to provide a debt facility to fund our asset growth and repay the $13.4 million in unsecured notes due in June 2007. Most terms have been agreed and due diligence is close to completion.

Other than the matter detailed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

Likely developments

The outlook for the Company is promising, but is subject to the risks of operating in the rental finance industry.

Directors' interests

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

Name	Ordinary shares	Convertible notes	Options over ordinary shares
Allan English (Note 1)			
- Tessana Pty Ltd	8,110,000	-	-
- Tessana Pty Ltd < Tessana Superannuation Fund >	2,800	-	-
	8,112,800	-	-
Andrew Kemp (Note 2)			
- Huntington Group Pty Ltd	39,314	-	-
- Huntington Group Pty Ltd <S Account>	37,038	31,000	-
- Huntington Investment Services Pty Ltd	171,429	-	-
- Manco (Aust) Pty Ltd	3,286	-	-
	251,067	31,000	-
Bede King			
- BF King & HJ King <King Superannuation Plan>	11,400	-	-
Don Mackenzie			
- Rotherby Pty Ltd ATF the Rotherby Superannuation Fund	2,762	5,000	

Note 1 – Allan English holds a beneficial interest in shares registered in the name of Tessana Pty Ltd.
Note 2 – Andrew Kemp holds a beneficial interest in the shares registered in the name of Huntington Group Pty Limited, Huntington Investment Services Pty Ltd, Huntington Group Pty Limited <S Account> and Manco (Aust) Pty Ltd.

Share options

Options granted to directors and officers of the Company.

During or since the end of the financial year, the Company granted options for 20,000 shares at an exercise price of $1.85 and expiry date of 1 July 2010, to Damien Guivarra, Marketing Manager. Other then these options no other options have been issued.

Name	Number of options granted	Exercise price	Expiry date
Executive Officers			
Peter Harding – Smith	75,000	$1.25	30 December 2008
Jim Quinn	150,000	$1.25	30 December 2008
Damien Guivarra	20,000	$1.85	1 July 2010

Unissued shares under option

Expiry date	Exercise price	Number of shares
24 May 2008	$1.25	63,000
30 December 2008	$1.25	245,000
1 July 2010	$1.85	20,000

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

Remuneration Report

Key Management Personnel emoluments

Remuneration levels for key management personnel being directors and senior executives of the Company are determined as part of an annual performance review, having regard to market factors, a performance evaluation process and independent remuneration advice.

The remuneration structures in place in the Company 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 following –

- The capability and experience of the directors and senior executives; and
- The directors and senior executives ability to control the financial performance of its operations

Fixed remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any FBT charges related to employee benefits), as well as employer contributions to superannuation funds.

Remuneration levels are reviewed annually by the Board through a process that considers individual, segment and overall performance of the Company. In addition, external consultants provide analysis and advice to ensure the directors' and senior executives' remuneration is competitive in the market place.

Performance-linked remuneration

The Company's current performance-linked remuneration is limited to a short term incentive bonus for senior executives and is principally based on the operational financial performance of the Company's operations meeting budgetary parameters. The determination of incentive bonuses also takes account of over budget performance exceeding established benchmarks set in the rental finance industry.

At the end of the financial year, the Board assesses the actual performance of the consolidated entity against strategic goals set at the beginning of the year and where appropriate, determines cash incentives, if any, to be paid to senior executives.

Service agreements

- **Management agreement – Tessana Pty Ltd**

Tessana Pty Ltd has entered into a formal management agreement with the Company to provide a range of management services.

Tessana Pty Ltd has procured Allan English to the position of managing director of Silver Chef, reporting to the Board of the Company, and carrying out the duties customarily performed by a Chief Executive Officer.

The agreement runs for a period of three years from 12 April 2005.

Tessana currently receives an amount of $257,000 (plus GST) per annum effective from 12 April 2006. On an annual basis on every anniversary of the commencement date of the agreement this amount is adjusted for CPI.

The agreement may be terminated early in the event that Tessana commits a substantial breach under the agreement or if Allan English becomes unable to fulfil his role in performing the Silver Chef activities. In addition, either Silver Chef or Tessana may terminate the agreement by giving six months notice in writing to the other party or by giving the other party six months payment in lieu at any time.

The agreement contains appropriate provisions to protect the integrity of confidential information. It also contains restrictive covenants which operate both during the period of the agreement and for a period of up to two years thereafter.

- **Senior Executives**

The Company Secretary and other senior executives have service agreements which are capable of termination within one month. In the event of termination or resignation, employees are entitled to their statutory entitlements to annual leave and long service leave, if applicable.

Non-executive directors

Total remuneration for non-executive directors has been set at $75,000.

Directors' fees cover all Board activities. Fees paid to the Chairman of the Audit and Risk Management Committee are based on an hourly fee at commercial rates.

Remuneration of Key Management Personnel

Details of the nature and amount of each major element of remuneration of each director of the Company and each of the most highly remunerated officers are as follows:

		Short Term			Long Term	Post Employment	Share Based Payments	
		Fees/ Salary $	Non-Monetary $	Bonus $	Long Service Leave $	Super annuation $	Value of Options (A) $	Total $
Directors – Non Executive								
Andrew Kemp	2006	26,400	-	-	-	-	-	26,400
Note 1	2005	24,200	-	-	-	-	-	24,200
Bede King	2006	24,000	-	-	-	-	-	24,000
Note 1	2005	23,900	-	-	-	-	-	23,900
Managing Director								
Allan English	2006	251,750	-	-	-	-	-	251,750
Note 1	2005	254,800	-	-	-	432	-	255,232
Alternate Director								
Don Mackenzie	2006	11,070	-	-	-	-	-	11,070
	2005	-	-	-	-	-	-	-
Total 2006	2006	313,220	-	-	-	-	-	313,220
Total 2005	2005	302,900	-	-	-	432	-	303,332
Senior Executives								
Peter Harding-Smith	2006	118,206	-	2,028	-	10,821	16,020	147,075
Chief Financial Officer / Company Secretary	2005	62,488	-	-	-	5,624	1,917	70,029
Jim Quinn	2006	104,115	7,312	1,750	3,540	9,528	32,040	158,285
General Manager	2005	90,195	6,275	-	3,016	7,024	3,834	110,344
Damien Guivarra (commenced 17/10/05)	2006	57,239	-	-	-	5,123	-	62,362
Marketing Manager	2005	-	-	-	-	-	-	-
Total 2006	2006	279,560	7,312	3,778	3,540	25,472	48,060	367,722
Total 2005	2005	152,683	6,275	-	3,016	12,648	5,751	180,373

Note 1 – Amounts paid to director related entities

(A) The fair value of the option is calculated at the date of grant using a Black - Scholes model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options allocated to this reporting period. In valuing the options market conditions have been taken into account since the float. Fair values of options granted as part of remuneration are estimates only.

The following factors and assumptions were used in determining the fair value of options on grant date:

Options provided as remuneration

Name	Number of options	Grant Date	Expiry Date	Fair value per option	Exercise price	Price of share on grant date	Estimated volatility	Risk Free Interest Rate
Jim Quinn	150,000	24 May 2005	30 December 2008	0.3468	$1.25	$1.00	13%	5.18%
Peter Harding-Smith	75,000	24 May 2005	30 December 2008	0.3468	$1.25	$1.00	13%	5.18%

Terms and vesting dates of options – refer Note 32

Proportions of elements of remuneration

	Performance related	Non-performance related	Percent of remuneration consisting of options	Value of options granted as part of remuneration during the year	Value of options granted as part of remuneration and that are exercised or sold during the year	Value of options granted as part of remuneration and lapsed during the year *
Directors				$	$	$
Andrew Kemp	0%	100%	0%	-	-	-
Allan English	0%	100%	0%	-	-	-
Bede King	0%	100%	0%	-	-	-
Senior Executives						
Peter Harding-Smith	0%	100%	10.89%	32,040	-	-
Jim Quinn	0%	100%	20.71%	16,020	-	-
Damien Guivarra	0%	100%	0%	-	-	-

* includes options that were granted as part of remuneration in prior financial years

Equity Instruments

All options refer to options over ordinary shares of Silver Chef Limited, which are exercisable on a one-for-one basis under the Employee Share Option Plan.

Options and rights over equity instruments holdings

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

	Held at 1 July 2005	Granted as remuneration	Other Changes	Exercised	Held at 30 June 2006	Vested at 30 June	Vested & Exercisable at 30 June	Vested & Un-exercisable at 30 June
Directors								
Andrew Kemp	150,000	-	-	150,000	-	-	-	-
Allan English	-	-	-	-	-	-	-	-
Bede King	-	-	-	-	-	-	-	-
Don Mackenzie	-	-	-	-	-	-	-	-
	150,000	-	-	150,000	-	-	-	-
Senior executives								
Peter Harding-Smith	75,000	-	-	-	75,000	25,000	25,000	-
Jim Quinn	150,000	-	-	-	150,000	50,000	50,000	-
Damien Guivarra	-	-	-	-	-	-	-	-
	225,000	-	-	-	225,000	75,000	75,000	-

The options granted to the senior executives have an expiration date of 30 December 2008 and an exercise price of $1.25 per share.

Since the end of the financial year 20,000 share options have been granted to Damien Guivarra with and expiration date of 1 July 2010 and an exercise price of $1.85 per share. The options were provided at no cost to the recipient. All options issued to senior executives expire on the earlier of their expiry date or termination of the individual's employment.

Further details, including grant and exercise dates regarding options granted to employees under the Employee Share Option Plan are in Note 32.

Indemnification and insurance of officers

The Company has agreed to indemnify the following current directors of the Company, Andrew Kemp, Allan English and Bede King, the current Company Secretary, Peter Harding-Smith and the Chairman of the Audit and Risk Management Committee and Alternate Director, Don Mackenzie against all liabilities to another person (other than the Company or a related body corporate) that may arise from their positions as Directors and officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Insurance premiums

Since the end of the previous financial year, the Company has paid insurance premiums in respect of directors' and officers' liability and legal expenses, insurance contracts, for current and former directors and officers, including senior executives of the Company and directors of its controlled entities. The insurance policies outlined above do not contain details of the premiums paid in respect of individual officers of the Company. This amount can not be disclosed in accordance with the terms of the insurance cover.

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.

Non – audit services

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

The Board has considered the non - audit services provided during the year by the auditor and, following a resolution of the Audit Committee, 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 Company and have been reviewed by the Audit Committee to ensure they do not impact on the integrity and objectivity of the auditor.
- The non – audit services provided do not undermine the general principles relating to auditor independence as set out in Professional Statement F1 Professional Independence, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, or acting as an advocate for the Company or jointly sharing risks and rewards.

A copy of the auditors' independence declaration as required under Section 307C of the Corporations Act is included on page 67.

Details of the amounts paid to the auditor of the Company, PKF Chartered Accountants, and its related practices for audit and non – audit services provided during the year are set out below.

	Consolidated	
	2006	**2005**
	$	**$**
Statutory audit		
Audit and review of financial statements	37,360	39,360
Other services		
Independent Accountant's Report on prospectus	-	12,950
Review of rights' issue prospectus	315	-
	37,675	52,310

Signed in accordance with a resolution of Directors

Allan English
Director
29 August 2006

The Statement outlines the main corporate governance practices in place since the Company was listed on 31 May 2005 and which complies with the ASX Corporate Governance Council recommendations, unless otherwise stated.

Responsibilities of the Board

Responsibility for the Company's proper corporate governance rests with the Board. The Board's guiding principle in meeting this responsibility is to act honestly, conscientiously and fairly, in accordance with the law, in the interests of Silver Chef's shareholders, employees and other stakeholders.

The Board is accountable for the performance of the Company and aims to protect and enhance long term shareholder value. Its responsibilities include:

- setting the strategic direction of Silver Chef and its subsidiaries, and monitoring the implementation of that strategy;
- monitoring the financial outcomes and integrity of reporting;
- appointing and monitoring the performance of executive management;
- monitoring and evaluating the effectiveness of internal controls, risk management and compliance systems; and
- generally to take and fulfill an effective leadership role in relation to Silver Chef.

The Board will regularly review its responsibilities and alter them if necessary.

Composition of the Board

The Company's Constitution provides that the number of directors shall not be less than three, nor more than ten.

There are currently three directors on the Board.

Best practice recommendations issued by ASX recommend that a majority of the Board should be 'independent'. An independent director is a non-executive director who:

(a) is not a substantial shareholder of the Company or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder of the Company;

(b) has not, within the last three years, been employed in an executive capacity by the Company or another group member, or been a director after ceasing to hold any such employment;

(c) not a principal of a professional adviser to the Company or another group member, or an employee materially associated with the service provided;

(d) is not a significant supplier or customer of the Company or another group member, or an officer of or otherwise associated, directly or indirectly, with a significant supplier or customer;

(e) has no significant contractual relationship with the Company or another group member other than as a director;

(f) is free from any interest and any business or other relationship, which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company; and

(g) has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

The Board has reviewed the independence of each director. At the date of this annual report, a majority of the Board members are not considered to be independent, as Andrew Kemp is also principal of Huntington Group Pty Limited, which provides professional advice to the Company and Bede King, a principal of Tobin King Lateef, provides legal advice to the Company.

Notwithstanding this relationship, the Board is of the view that such relationships do not materially interfere with the directors' ability to act in the best interests of the Company. As stated in the prospectus, the Board will consider appointing another independent director in the future when the opportunity presents itself.

Details of the professional experience and qualifications of each of the directors are set out in the Directors Report.

Board Charter

The Board has adopted a charter which will be reviewed and amended from time to time as the Board may consider appropriate to give formal recognition to the matters outlined above. This charter sets out various other matters that are important for effective corporate governance including:

- a detailed definition of 'Independence';
- a framework for the identification and selection of candidates for appointment to the Board;
- a framework for individual performance review and evaluation;
- proper training to be made available to directors both at the time of their appointment and on an on-going basis;
- general procedures for meetings of the Board and its committees;
- a code of ethics and values;
- dealings in securities formalised in a detailed code for securities transactions designed to ensure fair and transparent trading by directors and senior management and their associates; and
- communications with Shareholders and the market.

These initiatives, together with the other matters provided for in the Board's charter, are designed to give effect to good corporate governance and to build a culture of best practice in Silver Chef's own internal practices and in its dealings with others.

Audit and Risk Management Committee

The purpose of this 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.

Best practice recommendations issued by ASX recommend that an audit committee consist of at least three directors, all of whom are non-executive directors, and a majority of whom are independent. However, due to the size of the Silver Chef Board, these recommendations have not yet been implemented. It is anticipated that this policy will be reviewed in future years as the size of the Company and the Board increases.

In these circumstances, but in the interests of good corporate governance, the Board has agreed that until such time as the policy is reviewed, Mr Don Mackenzie, a Brisbane based chartered accountant and experienced company director, will serve as an independent member of the audit committee. The other members of the Company's audit committee are Andrew Kemp and Bede King.

The focus of the committee is risk management and internal and external financial reporting. Other matters for which the committee is responsible for are:

- internal control framework including management information systems;
- corporate risk assessment and compliance with internal controls;
- internal audit function and 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; and
- monitoring compliance with the Company's code of ethics.

Meetings will be held at least twice each year. The committee invites the external auditors to attend each of its meetings.

Remuneration committee

Best practice recommendations issued by ASX recommend the establishment of a formal remuneration committee to ensure that remuneration policies for senior management and non-executive directors are designed to meet the needs of the Company and enhance corporate and individual performance.

Given the size of the Board, a separate remuneration committee has not been established, and the responsibility for this issue rests with the Board. The remuneration policy adopted by the Board is as follows:

Non-executive Directors

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

The directors' fees available to non-executive directors have been set at a maximum of $75,000 per annum.

Executive Directors & Senior Executives

The Company's remuneration policy aims to ensure that remuneration rates across the Company are competitive so that the Company is able to attract, motivate and retain high quality employees and achieve levels of performance necessary to create sustained growth and shareholder value.

Nominations Committee

Best practice recommendations issued by ASX recommend the establishment of a separate nominations committee to assist the Board and make recommendations to it in relation to the appointment of new directors (both executive and non-executive) and senior management.

However, given the size of the Board, a separate nominations committee has not been established, and the responsibility for this function rests with the Board.

Best practice commitment

The Company is committed to achieving and maintaining the highest standards of conduct and has undertaken various initiatives, as outlined in this section, that are designed to achieve this objective. Silver Chef's corporate governance charter is intended to 'institutionalise' good corporate governance and, generally, to build a culture of best practice both in the Company's own internal practices and in its dealings with others.

The following are a tangible demonstration of the Company's corporate governance commitment.

Independent professional advice

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

Code of ethics and values

The Company has developed and adopted a detailed code of ethics and values to guide directors in the performance of their duties.

Code of conduct for transactions in securities

The Company has developed and adopted a formal code to regulate dealings in securities by directors and senior management and their associates. This is designed to ensure fair and transparent trading in accordance with both the law and best practice.

Charter

The code of ethics and values and the code of conduct for transactions in securities both form part of the Company's corporate governance charter which has been formally adopted and can be inspected on its website at www.silverchef.com.au.

Compliance with ASX corporate governance guidelines and best practice recommendations

The ASX document, '*Principles of Good Corporate Governance and Best Practice Recommendations*' ('**Guidelines**') applying to listed entities was published in March 2003 by the ASX Corporate Governance Council with the aim of enhancing the credibility and transparency of Australia's capital markets.

The Board has assessed the Company's current practice against the Guidelines and outlines its assessment below:

Principle 1 - Lay solid foundations for management and oversight

The role of the Board and delegation to management have been formalised as described above in this section and will continue to be refined, in accordance with the Guidelines, in light of practical experience gained in operating as a listed company. The Board considers that Silver Chef complies with the Guidelines in this area.

Principle 2 - Structure the Board to add value

The current Board consists of two non-executive directors and one executive director.

Together the directors have a broad range of experience, expertise, skills, qualifications and contacts relevant to the business of the Company.

Principle 3 - Promote ethical and responsible decision making

The Board has adopted a code of ethics and values and a code of conduct for transactions in securities. The purpose of these codes is to guide directors in the performance of their duties and to define the circumstances in which both they and management, and their respective associates, are permitted to deal in securities.

The Board will ensure that restrictions on dealings in securities are strictly enforced. Both codes have been designed with a view to ensuring the highest ethical and professional standards, as well as compliance with legal obligations, and therefore compliance with the Guidelines.

Principle 4 - Safeguard integrity in financial reporting

The audit and risk management committee (with its own charter) complies with the Guidelines. Steps will be taken train the members of the audit and risk management committee (if necessary) to ensure that they are financially literate.

Principle 5 - Make timely and balanced disclosure

Silver Chef will make disclosure consistent with the Guidelines. Policies and procedures for compliance with Listing Rules disclosure requirements are included in the Company's corporate governance charter.

Principle 6 - Respect the rights of shareholders

The Board recognises the importance of this principle and will strive to communicate with shareholders regularly and clearly – both by electronic means and using more traditional communication methods. Shareholders will be encouraged to attend and participate at general meetings. The Company's auditors will always attend the annual general meeting and will be available to answer shareholders' questions. The Company's policies comply with the Guidelines in relation to the rights of shareholders.

Principle 7 - Recognise and manage risks

The Board, together with management, will seek to identify, monitor and mitigate risk. Internal controls will be monitored on a continuous basis and, wherever possible improved. The issue of risk management is formalised in the Company's corporate governance charter (which complies with the Guidelines in relation to risk management) and will continue to be kept under regular review. Review will take place at Board level each year.

Principle 8 - Encourage enhanced performance

The corporate governance charter adopted by the Board requires individual performance review and evaluation to be conducted formally on an annual basis.

The Board will continue to seek and consider ways of further enhancing performance both individually and collectively. Silver Chef's practice complies with the Guidelines in this area.

Principle 9 - Remunerate fairly and responsibly

Silver Chef's current practices in this area will be reviewed regularly to ensure they comply with the Guidelines. Remuneration of directors and executives will be fully disclosed in the annual report.

Principle 10 - Recognise the legitimate interests of stakeholders

The Board recognises the importance of this principle and will continue to develop and implement procedures to ensure compliance with legal and other obligations to legitimate stakeholders. The Company and its policies and practices comply with the Guidelines in this area.

Contents of Financial Statements

Silver Chef Limited
Income Statement
Year ended 30 June 2006

	Note	Consolidated June 06 $000	Consolidated June 05 $000	Parent June 06 $000	Parent June 05 $000
Revenue	3	16,435	9,198	16,435	9,173
Finance costs	5	(2,676)	(1,682)	(2,676)	(1,692)
Expenses	4	(11,175)	(6,390)	(11,175)	(6,355)
Change in fair value of investment property		35	-	35	-
Profit before income tax expense		2,619	1,126	2,619	1,126
Income tax expense	7	(810)	(318)	(810)	(318)
Profit after income tax expense	21(a)	1,809	808	1,809	808

	Note	June 06	June 05
Earnings per share for profit attributable to the ordinary equity holders of the Company			
Basic earnings per share			
Ordinary shares (cents per share)	8	16.1	9.6
Diluted earnings per share			
Ordinary shares (cents per share)	8	14.3	9.4
Dividend per share			
Ordinary shares (cents per share)		7.98	7.42

The above Income Statement is to be read in conjunction with the attached notes.

Silver Chef Limited
Statements of changes in equity
Year ended 30 June 2006

Consolidated

2006	Share Capital $000	Retained Earnings $000	Total $000
Balance from 1 July 2005	2,941	1,952	4,893
Net profit	-	1,809	1,809
Dividends recognised during the year	-	(1,070)	(1,070)
Rights issue	3,139	-	3,139
Options exercised	150	-	150
Employee options expensed	68	-	68
Capital raising costs	(140)	-	(140)
Balance at 30 June 2006	6,158	2,691	8,849

2005	Share Capital $000	Retained Earnings $000	Total $000
Balance from 1 July 2004	585	1,972	2,557
Net profit	-	808	808
Dividends recognised during the year	-	(828)	(828)
Initial public offer	3,054	-	3,054
Return of capital	(585)	-	(585)
Costs arising from initial public offer	(148)	-	(148)
Employee options expensed	8	-	8
Equity portion of convertible notes issued	27	-	27
Balance at 30 June 2005	2,941	1,952	4,893

Parent

2006	Share Capital $000	Retained Earnings $000	Total $000
Balance from 1 July 2005	2,941	1,952	4,893
Net profit	-	1,809	1,809
Dividends recognised during the year	-	(1,070)	(1,070)
Rights issue	3,139	-	3,139
Options exercised	150	-	150
Employee options expensed	68	-	68
Capital raising costs	(140)	-	(140)
Balance at 30 June 2006	6,158	2,691	8,849

2005	Share Capital $000	Retained Earnings $000	Total $000
Balance from 1 July 2004	585	1,972	2,557
Net profit	-	808	808
Dividends recognised during the year	-	(828)	(828)
Initial public offer	3,054	-	3,054
Return of capital	(585)	-	(585)
Costs arising from initial public offer	(148)	-	(148)
Employee options issued	8	-	8
Equity portion of convertible notes issued	27	-	27
Balance at 30 June 2005	2,941	1,952	4,893

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

Silver Chef Limited
Balance Sheet
At 30 June 2006

	Note	Consolidated June 06 $000	Consolidated June 05 $000	Parent June 06 $000	Parent June 05 $000
Current assets					
Cash and cash equivalents	10	3,746	8,457	3,744	8,455
Trade and other receivables	11	1,969	1,181	2,068	1,485
Other assets	13	46	55	46	47
Total current assets		5,761	9,693	5,858	9,987
Non-current assets					
Investment properties	15	3,115	2,389	3,115	2,389
Property plant and equipment	16	30,817	18,135	29,187	17,509
Other financial assets	12	40	15	42	17
Equity accounted investments	14	83	1	83	1
Total non-current assets		34,055	20,540	32,427	19,916
Total assets		39,816	30,233	38,285	29,903
Current liabilities					
Trade and other payables	17	6,450	3,989	6,587	3,938
Other financial liabilities	18	14,494	832	14,279	624
Tax liabilities	19	122	105	122	105
Provisions	20	118	65	118	65
Total current liabilities		21,184	4,991	21,106	4,732
Non-current liabilities					
Other financial liabilities	18	9,265	20,002	7,846	19,944
Deferred tax liabilities	19	511	334	477	321
Provisions	20	7	13	7	13
Total non-current liabilities		9,783	20,349	8,330	20,278
Total liabilities		30,967	25,340	29,436	25,010
Net assets		8,849	4,893	8,849	4,893
Equity					
Share capital	21	6,158	2,941	6,158	2,941
Retained earnings		2,691	1,952	2,691	1,952
Total equity		8,849	4,893	8,849	4,893

The above balance sheet is to be read in conjunction with the attached notes.

Silver Chef Limited
Statements of Cash Flows
Year ended 30 June 2006

	Note	Consolidated June 06 $000	Consolidated June 05 $000	Parent June 06 $000	Parent June 05 $000
Cash flows from operating activities					
Receipts from customers		17,468	9,181	17,670	8,867
Payments to suppliers and employees		(5,360)	(3,436)	(5,322)	(3,036)
Finance costs paid		(2,073)	(1,429)	(2,330)	(1,617)
Interest received		204	215	204	190
Income taxes paid		(552)	(275)	(552)	(275)
GST recovered (paid)		338	797	338	797
Net cash flows from / (used in) operating activities	28(a)	10,025	5,053	10,008	4,926
Cash flows from investing activities					
Payments for property plant and equipment		(24,768)	(14,830)	(23,366)	(14,161)
Proceeds from sale of property plant and equipment		6,370	2,369	6,172	2,369
Payments for other non-current assets		(1)	(442)	-	(269)
Payment for investments in associates		(83)	-	(83)	-
Payment for investment properties		(774)	(1,489)	(774)	(1,489)
Payment for investment in non-listed public company		(25)	(15)	(25)	(15)
Payment for investment in subsidiary		-	-	-	(1)
Proceeds on sale of investment properties		307	591	307	591
Net cash flows from / (used in) in investing activities		(18,974)	(13,816)	(17,769)	(12,975)
Cash flows from financing activities					
Proceeds/(repayments) of secured loans and finance leases		1,543	1,525	354	824
Proceeds from share issue		3,320	3,054	3,320	3,054
Share issue expense		(42)	(212)	(42)	(212)
Proceeds from issue of convertible notes		245	4,755	245	4,755
Proceeds from issue of unsecured notes		-	3,658	-	-
Loans - from related corporation		-	-	-	7,060
Payment of dividend		(828)	-	(828)	-
Net cash flows from / (used in) financing activities		4,238	12,780	3,049	15,481
Net increase (decrease) in cash held		(4,711)	4,017	(4,712)	7,432
Cash at beginning of year		8,457	4,440	8,456	1,023
Cash and cash equivalents at end of year	28(b)	3,746	8,457	3,744	8,455

The above statements of cash flows are to be read in conjunction with the attached notes.

1 Introduction

Silver Chef Limited (covering the financial statements of Silver Chef Limited and all of its subsidiaries) for the year ended 30 June 2006 is a public company incorporated in Australia. The parent is Silver Chef Limited.

Operations and principal activities

Operations comprise of providing rental finance predominately to the hospitality industry.

Currency

The financial report is presented in Australian dollars. The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Authorisation of the financial report

The financial report was authorised for issue on the 29 of August 2006 by the Board. The directors have the power to amend the financial report after issue.

First-time adoption of International Financial Reporting Standards (AIFRS)

This is the consolidated entity's first annual consolidated financial report prepared in accordance with Australian Accounting Standards, being AIFRS. An explanation of how the transition to AIFRS has affected the reported financial position, financial performance and cash flows of the consolidated entity and the Company is provided in note 33.

2 Significant accounting policies

The principal accounting policies adopted by Silver Chef Limited comprising the parent entity and its subsidiaries are stated in order to assist in a general understanding of the financial report.

(a) Statement of Compliance

The consolidated financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001.

Compliance with AIFRS ensures the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

This is the first financial report on AIFRS and comparatives for the year ended 30 June 2005 have been restated accordingly. Reconciliations of AIFRS equity and profit for 30 June 2005 to the balances reported in the 30 June 2005 financial report are detailed in Note 33.

(b) Basis of Preparation

The financial report is prepared on the historical cost basis except for investment properties which are stated at their fair value.

The preparation of the financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimate and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the consolidated group.

The estimated and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies have been applied consistently to all periods presented in the consolidated financial report and in preparing an opening AIFRS balance Sheet at 1 July 2004 for the purpose of the transition to Australian Accounting Standards – AIFRS.

The accounting policies have been applied consistently by all entities in the consolidated entity.

2	Significant accounting policies (continued)

(c) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the financial report from the date that control commences until the date that control ceases.

(ii) Joint ventures

Joint ventures are those entities over whose activities the consolidated entity has joint control, established by contractual agreement.

Jointly controlled entities

Investments in jointly controlled entities are accounted for using equity accounting principles. Investments in joint venture entities are carried at the lower of the equity accounted amount and recoverable amount.

The consolidated entity's share of the jointly controlled entity's net profit or loss is recognised in the income statement from the date joint control commenced until the date joint control ceases.

(iii) Transactions eliminated on consolidation

Intragroup balances, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the consolidated entity's interest in the entity with adjustments made to the "Investment joint ventures" and "Share of jointly controlled entity's net profit" accounts. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(d) Plant and equipment

(i) Owned assets

Items of plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below).

(ii) Leased assets

Leases in which the consolidated entity assumes substantially all of the risks and rewards of ownership are classified as finance leases. Lease payments are accounted for as described in accounting policy (n)(ii).

(iii) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

Rental equipment	5 years
Fixtures and fittings	5 years
Computer equipment	5 years
Motor vehicles	4 years

The residual value, if significant, is reassessed annually.

2	**Significant accounting policies (continued)**

(e) Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Any gain or loss arising from a change in fair value is recognised in the income statement. Rental income from investment property is accounted for as described in accounting policy (m)(ii).

(f) Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash balances and call deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the consolidated entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(h) Share capital

(i) Dividends

Dividends are recognised as a liability in the period in which they are declared.

(ii) Transaction costs

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

(i) Convertible notes

Where the conversion rate is based on a discount to the fair market value of the Company's ordinary shares at the date of conversion, the proceeds received are classified as liabilities and related distributions as interest expense.

Where financial instruments are redeemable but either the holder or the Company has an option to convert them into ordinary shares of the Company, they are classified as compound instruments. The liability component is measured as the present value of the principal and interest obligations, discounted at the prevailing market rate for a similar liability that does not have an equity component. The residual of the net proceeds received on issuing the instrument is classified as equity.

Interest expense on compound instruments is determined based on the liability component and includes the actual interest paid to holders. There are no dividends associated with the equity component.

(j) Interest-bearing borrowings

Bank loans are recognised at their principal amount, subject to set-off arrangements. Interest expense is accrued at the contracted rate and is included in Trade and Other Payables.

2	**Significant accounting policies (continued)**

(k) Employee benefits

(i) Long-term service benefits

The consolidated entity's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Government bonds at the balance sheet date which have maturity dates approximating to the terms of the consolidated entity's obligations.

(ii) Share-based payment transactions

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

(iii) Wages, salaries and annual leave

Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs, such as, workers compensation insurance and payroll tax.

(l) Trade and other payables

Trade and other payables are stated at cost.

(m) Revenue

(i) Goods sold and services rendered

Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or there is a risk of return of goods.

(ii) Rental income

Rental income is recognised in the income statement on a straight-line basis over the term of the lease.

(iii) Interest Income

Interest income is recognised in the income statement as it accrues.

(n) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

(ii) Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge 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.

(iii) Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest method and interest receivable on funds invested.

2 Significant accounting policies (continued)

(o) Income tax

Income tax on the income statement for the periods presented comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Tax consolidation

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax consolidated group is Silver Chef Limited.

Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group). Deferred tax assets and deferred tax liabilities are measured by reference to the carrying amounts of the assets and liabilities in the consolidated entity's balance sheet and their tax values applying under tax consolidation.

Nature of tax funding arrangements and tax sharing agreements

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tac amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability (asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable (payable) equal in amount to the tax liability (asset) assumed. The inter-entity receivable (payable) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the dead entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity in conjunction with other members of the tax-consolidated group, has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements on respect of this agreement as payment for any amounts under the tax sharing agreement is considered remote.

2	**Significant accounting policies (continued)**

(p) Segment reporting

A segment is a distinguishable component of the consolidated entity that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

(q) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(r) Financial assets and liabilities

Financial assets and liabilities are recognised on the balance sheet when the Company becomes party to the contractual provisions of the financial instrument.

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred and no longer controlled by the entity.

A financial liability is removed from the balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(s) Investment in other unlisted corporations

Investments in other unlisted corporations are carried at cost as fair value cannot be reliably determined.

3 Revenue

	Consolidated		Parent	
	June 06	June 05	June 06	June 05
	$000	$000	$000	$000
Operating revenue				
Sale of goods	96	43	96	43
Rental income	15,726	8,576	15,726	8,576
	15,822	8,619	15,822	8,619
Non-operating revenue				
Interest – other than related parties	227	154	227	129
Interest – Director and Director related entities	16	62	16	62
Rent - investment properties	134	82	134	82
Bad debts recovered	1	61	1	61
Gain on sale of investment property	37	140	37	140
Other	198	80	198	80
	613	579	613	554
Total revenue	16,435	9,198	16,435	9,173

4 Expenses from ordinary activities

Classification of expenses by function				
Cost of goods sold	75	32	75	32
Cost of sales – services	493	309	500	314
Administration*	9,616	5,709	9,609	5,672
Sales and marketing	925	231	925	231
Investment properties	66	109	66	106
	11,175	6,390	11,175	6,355

*Includes impairment loss on rental equipment – refer Note 5

5 Items included in profit

Profit includes:				
Finance costs – convertible notes	588	56	588	56
Finance costs – unsecured notes	1,654	1,528	-	-
Finance costs – other than related parties	434	98	434	98
Finance costs – wholly owned controlled entity	-	-	1,654	1,538
	2,676	1,682	2,676	1,692
Amortisation – leased assets	-	4	-	4
Employee benefits expense	2,012	1,228	2,012	1,228
Depreciation expense	6,098	3,315	5,900	3,270
Bad and doubtful debts	122	22	122	22
Operating lease payments	252	154	252	154
(Gain) on revaluation of investment property	(35)	-	(35)	-
Loss/(gain) on sale of non-current assets	469	(91)	469	(91)
Impairment loss on rental equipment	32	-	32	-

6 Auditor remuneration

	Consolidated June 06 $	Consolidated June 05 $	Parent June 06 $	Parent June 05 $
Amounts received, or due and receivable, for:				
- Audit and review of financial reports	37,360	39,360	37,360	39,360
Other services:				
- Independent account report on prospectus	-	12,950	-	12,950
- Review of rights' issue prospectus	315	-	315	-
	37,675	52,310	37,675	52,310

7 Income tax

The components of income tax expense comprise:

	Consolidated June 06 $000	Consolidated June 05 $000	Parent June 06 $000	Parent June 05 $000
Current tax	563	190	584	196
Deferred tax	247	128	226	122
	810	318	810	318

Numerical reconciliation of income tax expense to prima facie income tax

	Consolidated June 06 $000	Consolidated June 05 $000	Parent June 06 $000	Parent June 05 $000
Profit before income tax expense	2,619	1,126	2,619	1,126
Prima facie tax payable on profit before income tax at 30%	786	338	786	338
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Entertainment expenses	5	4	5	4
Share based payments	20	-	20	-
Prior year under provision for deferred tax	-	(23)	-	(23)
Other	(1)	(1)	(1)	(1)
Income tax expense	810	318	810	318

8 Earnings per share

Classification of securities as ordinary shares
The following securities have been classified as ordinary shares and included in the basic earning per share:

(a) ordinary shares

Classification of securities as potential ordinary shares
The following securities have been classified as potential ordinary shares and included in diluted earnings per share for ordinary shares only:
(a) options outstanding under the Employee Share Option Plan
(b) convertible notes

Further details of these securities are contained in Notes 31 and 32.

	Consolidated	
	June 06 $000	**June 05 $000**
Earnings Reconciliation		
Basic Earnings	1,809	808
After-tax effect of interest on convertible notes	346	33
Diluted earnings	2,155	841
Allocation of earnings to ordinary shares		
Basic	1,809	808
Diluted	2,155	841
Weighted average number of shares used as the denominator		
Number for basic earnings per share	11,219,608	8,402,893
Number for diluted earnings per share		
Ordinary shares	11,219,608	8,402,893
Effect of employee share option plan	86,736	108,327
Effect of convertible notes	3,716,568	455,949
	15,022,912	8,967,169
Basic earnings per share		
Ordinary shares (cents per share)	16.1	9.6
Diluted earnings per share		
Ordinary shares (cents per share)	14.3	9.4

9 Segment information

Geographical segments

The entity operates predominantly in Australia.

Business segments

The principal activities of the entity comprised the following business segments. There were no changes in the nature of the principal activities during the financial year.

Equipment rental – operations comprise providing equipment rental finance predominately to the hospitality industry.

Investment – operations comprise investment in residential properties and commercial properties.

30 June 2006 Consolidated entity	Equipment rental $000	Investment Properties $000	Total $000
Revenue			
External	16,020	172	16,192
Unallocated revenue - interest			243
Total revenue			16,435
Segment result			
Profit (loss)	5,154	106	5,260
Unallocated corporate expense			(2,676)
Change in fair value of investment property		35	35
Profit from ordinary activities before income tax			2,619
Income tax (expense) benefit			(810)
Net profit			1,809
Assets			
Segment assets	34,048	3,115	37,163
Unallocated corporate assets			2,653
Total assets			39,816
Liabilities			
Segment liabilities	6,575	-	6,575
Unallocated corporate liabilities			24,392
Total liabilities			30,967
Other information			
Depreciation and amortisation	5,966	-	5,966
Acquisition of plant and equipment – consideration paid	24,001	-	24,001
Acquisition of plant and equipment – non-cash (hire purchase)	882	-	882
Acquisition of investment properties	-	964	964
Change in fair value of investment property	-	35	35
Loss on impairment on rental equipment	32	-	32

9 Segment information (continued)

30 June 2005 Consolidated entity	Equipment rental $000	Investment Properties $000	Total $000
Revenue			
External	8,309	673	8,982
Unallocated revenue - interest			216
Total revenue			9,198
Segment result			
Profit (loss)	2,683	125	2,808
Unallocated corporate expense			(1,682)
Profit from ordinary activities before income tax			1,126
Income tax (expense) benefit			(318)
Net profit			808
Assets			
Segment assets	19,763	2,389	22,152
Unallocated corporate assets			8,081
Total assets			30,233
Liabilities			
Segment liabilities	4,076	-	4,076
Unallocated corporate liabilities			21,264
Total liabilities			25,340
Other information			
Depreciation and amortisation	3,315	-	3,315
Acquisition of plant and equipment – consideration paid	14,830	-	14,830
Acquisition of plant and equipment – non-cash (hire purchase)	1,409	-	1,409
Acquisition of investment properties	-	1,949	1,949

10 Cash and cash equivalents

	Consolidated		Parent	
	June 06 $000	June 05 $000	June 06 $000	June 05 $000
Cash	2,236	957	2,234	955
Bank short term deposits	1,510	7,500	1,510	7,500
	3,746	8,457	3,744	8,455

11 Trade and other receivables

Current				
Trade accounts receivables	1,035	651	1,035	651
Less provision for doubtful debts	(86)	(35)	(86)	(35)
	949	616	949	616
Non-trade accounts receivable due from:				
- Wholly owned controlled entity	-	-	100	304
- Directors	255	461	255	461
- Other than related parties	765	87	764	87
- Associated Entities	-	17	-	17
	1,020	565	1,119	869
Total current	1,969	1,181	2,068	1,485

	Consolidated		Parent	
	June 06	June 05	June 06	June 05
	$000	$000	$000	$000

11 Trade and other receivables (continued)

Operating leases
Kitchen plant and equipment is leased to the hospitality industry

	June 06 $000	June 05 $000	June 06 $000	June 05 $000
Included in Current Receivables				
Lease commitments receivable	1,035	651	1,035	651
Less provision for doubtful debts	(86)	(35)	(86)	(35)
	949	616	949	616

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

	June 06 $000	June 05 $000	June 06 $000	June 05 $000
Rental equipment				
Not later than one year	6,773	4,041	6,773	4,041
Greater than one, less than five	452	1,466	452	1,466
	7,225	5,507	7,225	5,507
Rental Properties				
Not later than one year	64	61	64	61
Greater than one, less than five	70	114	70	114
	134	175	134	175

12 Other financial assets

	June 06 $000	June 05 $000	June 06 $000	June 05 $000
Non-current				
Investment – non-listed entity at cost	40	15	40	15
Investment – controlled entity at cost	-	-	2	2
	40	15	42	17

13 Other assets

	June 06 $000	June 05 $000	June 06 $000	June 05 $000
Current				
Short term deposits	12	1	12	1
Prepayments	27	38	27	38
Other	7	16	7	8
	46	55	46	47

14 Equity Accounted investments

	June 06 $000	June 05 $000	June 06 $000	June 05 $000
Investment in joint venture entities	83	1	83	1

Refer Note 27 for equity accounting information

	Consolidated		Parent	
	June 06	June 05	June 06	June 05
	$000	$000	$000	$000

15 Investment properties

Non-current				
Investment properties - at fair value	3,115	2,389	3,115	2,389
Carrying amount of investment properties pledged as security for liabilities	3,115	2,389	3,115	2,389

The directors have determined the fair value of investment properties to be $3,114,709 as at 30 June 2006 by reference to market conditions within the real estate market.

Movements during the year:

Beginning of year	2,389	1,403	2,389	1,403
Additions	961	1,183	961	1,183
Revaluation	35	-	35	-
Disposals	(270)	(197)	(270)	(197)
End of the year	3,115	2,389	3,115	2,389

Refer Note 27 for equity accounting information

16 Property plant and equipment

Plant and equipment				
At cost	39,731	23,201	37,888	22,531
Less accumulated depreciation	(8,914)	(5,066)	(8,701)	(5,022)
Total	30,817	18,135	29,187	17,509

	Consolidated June 06 $000	Consolidated June 05 $000	Parent June 06 $000	Parent June 05 $000

16 Property plant and equipment (continued)

	Consolidated June 06 $000	Consolidated June 05 $000	Parent June 06 $000	Parent June 05 $000
Movements during the year:				
Plant & equipment				
Beginning of year	18,135	7,670	17,509	7,670
Additions	25,651	16,240	24,251	15,569
Depreciation expense	(6,098)	(3,315)	(5,900)	(3,270)
Disposals	(6,839)	(2,460)	(6,641)	(2,460)
Impairment loss	(32)	-	(32)	
End of the year	30,817	18,135	29,187	17,509
Movements during the year:				
Plant & equipment under finance lease				
Beginning of year	-	4	-	4
Additions	-	-	-	-
Depreciation expense	-	(4)	-	(4)
End of the year	-	-	-	-
Aggregate written down value at year end	30,817	18,135	29,187	17,509
Assets leased out under operating leases and included in plant & equipment (as detailed above):				
Plant and equipment -- at cost	38,820	22,728	36,976	22,059
Less accumulated depreciation	(8,606)	(4,889)	(8,392)	(4,845)
	30,214	17,839	28,584	17,214
Depreciation recognised as an expense	5,966	3,215	5,767	3,270
Carrying amount of rental equipment pledged as security for liabilities	30,214	17,839	28,584	17,214

Impairment Loss
At year end a review of the idle equipment was performed to determine its recoverable amount. Based on this assessment, the carrying amount of idle equipment was written down by $31,549.

17 Trade and Other Payables

	Consolidated June 06 $000	Consolidated June 05 $000	Parent June 06 $000	Parent June 05 $000
Current				
Creditors and accruals (unsecured)	1,099	696	1,236	645
Deferred revenue and advances from customers	5,351	3,293	5,351	3,293
	6,450	3,989	6,587	3,938
Included in creditors and accruals				
Wholly owned controlled entity	-	-	259	75
Associated entity	19	-	19	-
Non-trade accounts payable due to Directors	2	10	2	10

	Consolidated June 06 $000	Consolidated June 05 $000	Parent June 06 $000	Parent June 05 $000

18 Other financial liabilities

	Consolidated June 06 $000	Consolidated June 05 $000	Parent June 06 $000	Parent June 05 $000
Current				
Secured:				
Bank loan – National Australia Bank	175	229	175	229
Bank loan – BNZA	469	208	-	-
Hire purchase liabilities (note 24)	749	395	749	395
Unsecured:				
Unsecured notes	13,378	-	-	-
Capitalised costs on unsecured notes	(277)	-	-	-
Advances from subsidiary	-	-	13,355	-
	14,494	832	14,279	624
Non-current				
Secured:				
Bank loan – National Australia Bank	1,962	1,338	1,962	1,338
Bank loan – BNZA	1,419	492	-	-
Hire purchase liabilities (note 24)	1,160	944	1,160	944
Unsecured:				
Advances from subsidiary	-	-	-	13,289
Convertible notes	4,973	4,728	4,973	4,728
Capitalised costs on convertible notes	(249)	(355)	(249)	(355)
Unsecured notes	-	13,378	-	-
Capitalised costs on unsecured notes	-	(523)	-	-
	9,265	20,002	7,846	19,944

Details of security
(i) Hire purchase and finance lease liabilities are secured by the respective plant and equipment.
(ii) Bank loans are wholly secured by way of first ranking registered mortgage over investment properties in the name of Silver Chef Limited.

19 Tax liabilities

	Consolidated June 06 $000	Consolidated June 05 $000	Parent June 06 $000	Parent June 05 $000
Current				
Provision for income tax	122	105	122	105
Non-current				
Deferred tax liability	511	334	477	321

The balance comprises temporary differences attributable to:

	Consolidated June 06 $000	Consolidated June 05 $000	Parent June 06 $000	Parent June 05 $000
Plant and equipment	674	387	627	374
Provision for doubtful debts	(26)	(11)	(26)	(11)
Provision for employee entitlements	(39)	(23)	(39)	(23)
Other	(98)	(19)	(85)	(19)
Deferred tax liability	511	334	477	321

Movements in deferred tax liability:

	Consolidated June 06 $000	Consolidated June 05 $000	Parent June 06 $000	Parent June 05 $000
Plant and equipment	288	140	253	134
Provision for doubtful debts	(15)	(6)	(15)	(6)
Provision for employee entitlements	(15)	6	(15)	6
Other	(11)	(12)	3	(12)
Deferred tax expense	247	128	226	122
Unamortised equity raising costs recognised in equity	(70)	(64)	(70)	(64)
Total movement	177	64	156	58

	Consolidated		Parent	
	June 06	June 05	June 06	June 05
	$000	$000	$000	$000

20 Provisions

Current				
Annual leave	101	65	101	65
Long service leave	17	-	17	-
	118	65	118	65
Non-current				
Long service leave	7	13	7	13

21 Share capital

Share Capital				
Ordinary shares fully paid (a)	6,131	2,914	6,131	2,914
Other Contributed Equity				
Convertible notes – equity portion (b)	27	27	27	27
	6,158	2,941	6,158	2,941

(a) **Ordinary shares**	June 06 Number	June 05 Number
Movements during the year		
Balance at the beginning of the year	11,164,454	2
Shares issued		
- Share split (4,054,999 for 1 split)	-	8,109,998
- Initial public offer	-	3,054,454
- Options exercised	150,000	-
- Rights issue	2,092,586	-
Balance at end of year	13,407,040	11,164,454

Terms and conditions
Fully paid ordinary shares carry the right to one vote at a meeting of the Company. Shareholders also have the right to receive dividends as declared and to participate in the proceeds from sale of all surplus assets in proportion to the total shares issued in the event of the Company winding up.

Note 32 provides details of share options granted during the period.

(b) Other share capital	Consolidated		Parent	
Movements during the year	June 06	June 05	June 06	June 05
	$000	$000	$000	$000
Balance at the beginning of the year	27	-	27	-
Equity portion of convertible notes issue during the year	-	27	-	27
Balance at the end of the year	27	27	27	27

On the 26th May 2005, the Company issued 4,754,900 convertible notes at a principal value of $1.00 each. Interest is payable every six months at 10% p.a. and is cumulated in the event that an interest payment is not made. The notes must be redeemed for cash or converted at the option of the holder, at any time prior to 31 August 2008. If converted, the note holder receives ordinary shares of the Company on the basis of 15% discount to the trading price. An additional 245,100 convertible notes were issued on the 31st July 2005. The convertible notes have been accounted for as compound financial instruments in accordance with accounting policy Note 2(i).

Terms and conditions
These notes do not give their holders any voting rights at shareholders' meetings; however, the Trustee for the notes has the right to veto any decision prejudicial to the note holders.

In the event of the winding up of the Company, the holders of convertible notes rank above all other shareholders and are entitled to the proceeds of liquidation only to the extent of the face value of the notes and any accumulated interest.

22 Dividends

Dividends recognised in the current year by the company are:	Total Amount	Franked / unfranked	Date of payment
Final 2005 ordinary	334,934	franked	21/10/05
Interim 2006 ordinary	735,689	franked	5/5/06

Franked dividends declared or paid during the year were fully franked at the tax rate of 30%.

Subsequent events

Since the end of the financial year, the directors declared the following dividend:

Final - ordinary	737,387	franked	20/10/06

The financial effect of this fully franked dividend has not been brought to account in the financial statements for the year ended 30 June 2006 and will be recognised in subsequent financial reports.

Dividend franking account

Final - ordinary	Consolidated 2006	Consolidated 2005
30% franking credits available to shareholders of Silver Chef Limited for subsequent financial years	303,971	173,263

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

(a) franking credits that will arise from the payment of the current tax liability
(b) franking debits that will arise from the payment of dividends recognised as a liability at the year- end
(c) franking credits that will arise from the receipt of dividends recognised as receivables by the tax consolidation group at the year-end.
(d) franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

23 Financing Arrangements

Bank loans
At 30 June 2006, the Parent Entity's bankers have provided loans with an aggregate facility limit of $2,136,982 (30 June 2005: $1,567,057), and terms between 20 and 25 years:

Type of Loan	Drawn $	Monthly interest $	Rate %
Variable	107,491	600	6.80
Variable	107,491	600	6.80
Variable	263,416	1,466	6.80
Variable	262,145	1,465	6.80
Variable	105,357	611	7.07
Variable	405,911	2,348	7.07
Variable	398,646	2,306	7.07
Variable	486,525	2,897	7.20
	2,136,982		

23 Financing Arrangements (continued)

Summary of loan facilities	Used $	Unused $
Bank loans	2,136,982	-
Hire purchase liabilities	1,908,658	-
BNZA facility	1,888,917	111,083
Convertible Notes	5,000,000	-
Unsecured notes – Silver Chef Finance Company Limited	13,378,000	-

We are close to reaching agreement with a financier to provide a debt facility to fund our asset growth and repay the $13.4 million in unsecured notes due in June 2007. Most terms have been agreed and due diligence is close to completion.

Interest rate risk exposure

The consolidated entity manages its exposure to interest rate fluctuations through a formal set of policies and procedures approved by the Board. The consolidated entity does not engage in any significant transactions which are of a speculative nature. Exposures of the consolidated entity to interest rate risk on financial assets and liabilities are summarised as follows:

		Fixed interest rate maturing					
30 June 2006	**Non interest bearing $000**	**1 year or less $000**	**More than 1 and less than 5 years $000**	**More than 5 years $000**	**Floating interest $000**	**Total $000**	**Weighted average rate %**
Financial assets							
Cash	1	-	-	1,510	2,235	3,746	5.64
Trade accounts receivable	949	-	-	-	-	949	-
Non-trade receivables	765	-	-	-	-	765	-
Non-trade receivables							
- Directors	-	255	-	-	-	255	7.5
	1,715	255	-	1,510	2,235	5,715	
Financial liabilities							
Trade accounts payable	570	-	-	-	-	570	-
Bank loans	-	469	1,419	-	2,137	4,025	7.19
Unsecured notes	-	13,101	-	-	-	13,101	12.36
Convertible notes	-	-	4,724	-	-	4,724	10.00
Lease/HP liabilities	-	749	1,160	-	-	1,909	8.74
	570	14,319	7,303	-	2,137	24,329	
Net assets (liabilities)	1,145	(14,064)	(7,303)	1,510	98	(18,614)	

		Fixed interest rate maturing					
30 June 2005	**Non interest bearing $000**	**1 year or less $000**	**More than 1 and less than 5 years $000**	**More than 5 years $000**	**Floating interest $000**	**Total $000**	**Weighted average rate %**
Financial assets							
Cash	1	-	-	-	8,457	8,458	5.81
Trade accounts receivable	616	-	-	-	-	616	-
Non-trade receivables	104	-	-	-	-	104	-
Non-trade receivables							
- Directors	-	-	-	-	461	461	6.63
	721	-	-	-	8,918	9,639	
Financial liabilities							
Trade accounts payable	352	-	-	-	-	352	
Bank loans	-	229	492	-	1,546	2,267	6.95
Unsecured notes	-	-	12,855	-	-	12,855	12.36
Convertible notes	-	-	4,373	-	-	4,373	10.00
Lease/HP liabilities	-	395	944	-	-	1,339	8.55
	352	624	18,664	-	1,546	21,186	
Net assets (liabilities)	369	(624)	(18,664)	-	7,372	(11,547)	

Credit risk

Credit risk represents the risk of counterparty default. The maximum credit risk is represented by the carrying amounts of assets in the balance sheet net of any provisions for losses. The Company had no significant concentration of credit risk from any single counterparty or group of counterparties with the exception of an amount of $255,184 included in non-trade accounts receivable from Directors and Director related entities as disclosed in note 11.

24 Commitments

	Consolidated June 06 $000	Consolidated June 05 $000	Parent June 06 $000	Parent June 05 $000
Operating leases:				
Office rental of premises				
Minimum lease payments under non-cancelable operating leases according to the time expected to elapse to the expected date of payment:				
Not later than one year	163	42	163	42
Later than one year not later than five years	218	-	218	-
	381	42	381	42
Other (office equipment)				
Not later than one year	13	14	13	14
Later than one year not later than five years	32	45	31	45
	45	59	45	59
Rental Equipment Income				
Rental equipment financed to Medical Technology Finance Pty Ltd – all rental terms for 36 months.				
Future minimum receipts in respect of non-cancelable financing arrangements according to the time expected to elapse to the expected date of receipt:				
Not later than one year	419	1,002	419	1,002
Later than one year not later than five years	451	1,467	451	1,467
	870	2,469	870	2,469
Hire purchase:				
The Company has acquired rental equipment by means of hire purchase.				
Reconciliation of hire purchase commitments of the consolidated entity to the carrying amount of hire purchase liabilities:				
Time expected to elapse to expected date of payment:				
Not later than one year	888	495	888	495
Future finance charges	(139)	(100)	(139)	(100)
Carrying amount of hire purchase liabilities	749	395	749	395
Later than one year and not later than five years	1,236	1,031	1,236	1,031
Future finance charges	(76)	(87)	(76)	(87)
Carrying amount of hire purchase liabilities	1,160	944	1,160	944
Total carrying amount of hire purchase liabilities	1,909	1,339	1,909	1,339
Hire purchase liabilities				
Current – refer note 18	749	395	749	395
Non-current – refer note 18	1,160	944	1,160	944
	1,909	1,339	1,909	1,339

	Consolidated June 06 $000	Consolidated June 05 $000	Parent June 06 $000	Parent June 05 $000

24 Commitments (continued)

Employee remuneration commitment

	Consolidated June 06 $000	Consolidated June 05 $000	Parent June 06 $000	Parent June 05 $000
Commitment under non-cancellable employment contract not provided for in the financial statements and payable:				
Within one year	258	252	258	252
One year or later and no later than five years	221	471	221	471
	479	723	479	723

25 Contingent liabilities and contingent assets

No contingent liabilities or assets exist at 30 June 2006

26 Controlled entities

	Balance Date	Country of Incorporation	% of shares held 30 June 06	% of shares held 30 June 05
Silver Chef Finance Company Limited	30 June	Australia	100	100
Bridging Asset Rentals Pty Ltd	30 June	Australia	100	100

27 Equity Accounted investments

	Consolidated June 06 $000	Consolidated June 05 $000	Parent June 06 $000	Parent June 05 $000
Medical Technology Finance Pty Ltd	1	1	1	1
Medspa Investments Pty Ltd	82	-	82	-
	83	1	83	1
Ownership interest and proportion of voting power held:				
Medical Technology Finance Pty Ltd	50%	50%	50%	50%
Medspa Investments Pty Ltd	30%	30%	30%	30%

Medical Technology Finance Pty Ltd and Medspa Investments Pty Ltd are both incorporated in Australia and both have a 30 June balance date.

(i) Principal Activities

Medical Technology Finance Pty Ltd, a joint venture company was formed to facilitate rental financing of medical and beauty equipment in conjunction with Incision Pty Ltd.

Medspa Investments Pty Ltd (associated entity), a company formed to carry on the business of a medical spa.

(ii) Share of jointly controlled entities:

	Consolidated June 06 $000	Consolidated June 05 $000
Profit before income tax	-	-
Income tax expense	-	-
Net profit	-	-

(iii) Share of associated entities:

	Consolidated June 06 $000	Consolidated June 05 $000
Profit before income tax	-	-
Income tax expense	-	-
Net profit	-	-

	Consolidated		Parent	
	June 06 $000	June 05 $000	June 06 $000	June 05 $000

27 Equity Accounted investments (continued)

(iv) Carrying amount of investment in jointly controlled entities:

	June 06	June 05
Opening balance	1	1
Share of associates net profits/(losses) for the year	-	-
Closing balance of carrying value of jointly controlled entities	1	1

(v) Carrying amount of investment in associated entities:

	June 06	June 05
Opening balance	-	-
Investment acquired	82	-
Share of associates net profits/(losses) for the year	-	-
Closing balance of carrying value of investment in associate	82	-

(vi) Summary presentation of recognised assets, liabilities and profits or losses of associates and jointly controlled entities:

	June 06	June 05
Current assets	241	135
Current liabilities	115	118
Income	1,355	675
Expenses	(1,355)	(675)

(v) Aggregate amount of commitments and contingencies related to jointly controlled entities:

	June 06	June 05
Commitments for expenditure contracted for		
Not later than one year	419	1,002
Greater than one, less than five	452	1,466
	871	2,468
Contingent liabilities	-	-

There are no commitments for expenditure contracted for relating to associated entities.

28 Notes to the statement of cash flows

(a) Reconciliation of net profit to cash flows from operating activities

	Consolidated June 06 $000	Consolidated June 05 $000	Parent June 06 $000	Parent June 05 $000
Net profit from ordinary activities	1,809	837	1,809	836
Add				
- depreciation	6,098	3,315	5,897	3,271
- amortisation – leased assets	-	4	-	4
- amortisation – borrowing costs	364	255	180	75
Movement in provision for doubtful debts	51	20	51	20
Movement in interest payable	241	(2)	167	-
Movement in impairment provision	32	-	32	-
Loss (gain) on sale of investments	(37)	(140)	(37)	(140)
Loss (gain) on sale of fixed assets	469	91	469	91
Fair value adjustment to investment property	(35)	-	(35)	-
Movement in tax payable	17	(78)	17	(72)
Fair value of options included in share capital	68	-	68	-
Movement in deferred tax liability	239	120	277	120
Movement in assets/liabilities				
- trade accounts receivable	(386)	(425)	(384)	(422)
- non trade accounts receivable	(727)	(341)	(554)	(656)
- other current assets	2	(59)	16	(59)
- creditors and accruals	(156)	(266)	61	136
- Incidental costs treated as investing activities	-	(9)	-	(9)
- deferred revenue, advances and bonds	277	57	277	57
- provision employee benefits	47	(19)	47	(19)
- deposit and bonds	1,909	1,565	1,907	1,565
- GST clearing	(257)	128	(257)	128
Net cash provided by operating activities	10,025	5,053	10,008	4,926

(b) Reconciliation of cash

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	Consolidated June 06 $000	Consolidated June 05 $000	Parent June 06 $000	Parent June 05 $000
Cash at bank and on hand	2,236	957	2,234	955
Bank short term deposits	1,510	7,500	1,510	7,500
	3,746	8,457	3,744	8,455

(c) Non-cash investing and financing activities

During the year ended 30 June 2006, the consolidated entity acquired rental equipment with an aggregate fair value of $881,987 (30 June 2005: $1,409,276) by means of hire purchase.

During the year, the consolidated entity acquired investment properties costing $961,193. Of this cost $187,111 of this amount was acquired by trade dollars.

During the year a dividend payment of $527,150 was made to The A English Family Trust of which $242,173 was offset against the Allan English's director and director related loan accounts and have been treated as non-cash disbursements.

The above transactions are not reflected in the statement of cash flows.

29 Key Management Personnel

Remuneration of Directors and Senior Executives
Directors' and executive officers' emoluments

Remuneration levels for directors, secretaries and senior managers of the Company are determined as part of an annual performance review, having regard to market factors, a performance evaluation process and independent remuneration advice.

The remuneration structures in place in the Company 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 following –

- The capability and experience of the directors and senior executives; and
- The directors and senior executives ability to control the financial performance of its operations.

Fixed remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any FBT charges related to employee benefits), as well as employer contributions to superannuation funds.

Remuneration levels are reviewed annually by the Board through a process that considers individual, segment and overall performance of the Company. In addition, external consultants provide analysis and advice to ensure the directors' and senior executives' remuneration is competitive in the market place.

Performance-linked remuneration

The Company's current performance-linked remuneration is limited to a short term incentive bonus for senior executives and is principally based on the operational financial performance of the Company's operations meeting budgetary parameters. The determination of incentives bonuses also takes account of over budget performance exceeding established benchmarks set in the finance industry.

At the end of the financial year, the Board assesses the actual performance of the consolidated entity against strategic goals set at the beginning of the year and where appropriate, determines cash incentives, if any, to be paid to senior executives.

Service agreements

- **Management agreement – Tessana Pty Ltd**

Tessana Pty Ltd has entered into a formal management agreement with the Company to provide a range of management services.

Tessana has procured Allan English to the position of managing director of Silver Chef, reporting to the Board of the Company, and carrying out the duties customarily performed by a chief executive officer.

The agreement runs for a period of three years from 12 April 2005.

Tessana currently receives an amount of $257,000 (plus GST) per annum effective from 12 April 2006. On an annual basis on every anniversary of the commencement date of the agreement this amount is adjusted for CPI.

The agreement may be terminated early in the event that Tessana commits a substantial breach under the agreement or if Allan English becomes unable to fulfil his role in performing the Silver Chef activities. In addition, either Silver Chef or Tessana may terminate the agreement by giving six months notice in writing to the other party or by giving the other party six months payment in lieu at any time.

The agreement contains appropriate provisions to protect the integrity of confidential information. It also contains restrictive covenants which operate both during the period of the agreement and for a period of up to two years thereafter.

29 Key Management Personnel (continued)

- **Senior Executives**

The Company Secretary and other senior executives have service agreements which are capable of termination within one month. In the event of termination or resignation, employees are entitled to their statutory entitlements to annual leave and long service leave, if applicable.

Non-executive directors

Total remuneration for non-executive directors has been set at $75,000 and when amended will be subject to approval at a future general meeting. Fees to non-executive director's related entities currently total $50,400. Directors' fees cover all main Board activities.

Fees paid to the Chairman of the Audit and Risk Management Committee will be based on an hourly fee based on commercial rates.

Remuneration of Directors and Senior Executives

Details of the nature and amount of each major element of each director of the Company and each of the most highly remunerated officers are as follows:

		Short Term			Long Term	Post Employment	Share Based Payments	
		Fees/ Salary $	**Non-Monetary $**	**Bonus $**	**Long Service Leave $**	**Super annuation $**	**Value of Options (A) $**	**Total $**
Directors – Non Executive								
Andrew Kemp	2006	26,400	-	-	-	-	-	26,400
Note 1	2005	24,200	-	-	-	-	-	24,200
Bede King	2006	24,000	-	-	-	-	-	24,000
Note 1	2005	23,900	-	-	-	-	-	23,900
Managing Director								
Allan English	2006	251,750	-	-	-	-	-	251,750
Note 1	2005	254,800	-	-	-	432	-	255,232
Alternate Director								
Don Mackenzie	2006	11,070	-	-	-	-	-	11,070
	2005	-	-	-	-	-	-	-
Total 2006	2006	313,220	-	-	-	-	-	313,220
Total 2005	2005	302,900	-	-	-	432	-	303,332

Note 1 – Amounts paid to director related entities

29 Key Management Personnel (continued)

		Short Term			Long Term	Post Employment	Share Based Payments	
		Fees/ Salary $	Non-Monetary $	Bonus $	Long Service Leave $	Super annuation $	Value of Options (A) $	Total $
Senior Executives								
Peter Harding-Smith	2006	118,206	-	2,028	-	10,821	16,020	147,075
Chief Financial Officer / Company Secretary	2005	62,488	-	-	-	5,624	1,917	70,029
Jim Quinn	2006	104,115	7,312	1,750	3,540	9,528	32,040	158,285
General Manager	2005	90,195	6,275	-	3,016	7,024	3,834	110,344
Damien Guivarra (commenced 17/10/05)	2006	57,239	-	-	-	5,123	-	62,362
Marketing Manager	2005	-	-	-	-	-	-	-
Total 2006	2006	279,560	7,312	3,778	3,540	25,472	48,060	367,722
Total 2005	2005	152,683	6,275	-	3,016	12,648	5,751	180,373

Notes in relation to the table of director and senior executives remuneration

(A) The fair value of options issued to directors have not be disclosed as remuneration as these costs are considered to be part of the capital raising costs and expensed against equity for IFRS purposes.

(B) The fair value of the option is calculated at the date of grant using a Black-Scholes model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options allocated to this reporting period. In valuing the options market conditions have been taken into account since the float. Fair values of options granted as part of remuneration are estimates only. The following factors and assumptions were used in determining the fair value of options on grant date:

Name	Number of options	Grant Date	Expiry Date	Ave. Fair value per option	Exercise price	Price of share on grant date	Estimated volatility	Risk Free Interest Rate
Jim Quinn	150,000	24 May 2005	30 December 2008	0.3468	$1.25	$1.00	13%	5.18%
Peter Harding-Smith	75,000	24 May 2005	30 December 2008	0.3468	$1.25	$1.00	13%	5.18%

Terms and vesting dates of options – refer Note 32

29 Key Management Personnel (continued)

Equity Instruments

All options refer to options over ordinary shares of Silver Chef Limited, which are exercisable on a one-for-one basis under the Employee Share Option Plan.

Options and rights over equity instruments holdings

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

	Held at 1 July 2005	Granted as remuneration	Other Changes	Exercised	Held at 30 June 2006	Vested at 30 June	Vested & Exercisable at 30 June	Vested & Un-exercisable at 30 June
Director								
Andrew Kemp	150,000	-	-	150,000	-	-	-	-
Allan English	-	-	-	-	-	-	-	-
Bede King	-	-	-	-	-	-	-	-
Don Mackenzie	-	-	-	-	-	-	-	-
	150,000	-	-	150,000	-	-	-	-
Senior executives								
Peter Harding-Smith	75,000	-	-	-	75,000	25,000	25,000	-
Jim Quinn	150,000	-	-	-	150,000	50,000	50,000	
Damien Guivarra	-	-	-	-	-	-	-	-
	225,000	-	-	-	225,000	75,000	75,000	-

All options were granted in the prior year were granted on 24 May 2005. The options granted to Huntington Group Pty Limited, a director related entity of Andrew Kemp, have an expiration date of 24 May 2008 and an exercise price of $1.00 per share. The options were granted as part of a fee structure for work performed on the unsecured note issue and the IPO.

The options granted to the senior executives have an expiration date of 30 December 2008 and an exercise price of $1.25 per share.

Since the end of the financial year 20,000 share options have been granted to Damien Guivarra with and expiration date of 1 July 2010 and an exercise price of $1.85 per share. The options were provided at no cost to the recipients. All options issued to senior executives expire on the earlier of their expiry date or termination of the individual's employment.

Further details, including granted dates and exercise dates regarding options granted to employees under the Employee Share Option Plan are in Note 32.

29 Key Management Personnel (continued)

Equity and note holdings and transactions

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

Share held in Silver Chef Limited (number)	**Balance 1 July 05**	**Purchased**	**On Exercise of Options**	**Net Change Other**	**Balance 30 June 06**
Directors					
Andrew Kemp	60,100	40,967	150,000	-	251,067
Allan English	8,112,800	-	-	-	8,112,800
Bede King	9,100	2,300	-	-	11,400
Alternate Director					
Don Mackenzie	2,000	762	-	-	2,762
Senior Executives					
Peter Harding-Smith	2,500	4,600	-	-	7,100
Jim Quinn	-	-	-	-	-
Damien Guivarra	-	-	-	-	-
Total	8,186,500	48,629	150,000	-	8,385,129
Convertible notes held in Silver Chef Limited (number)					
Directors					
Andrew Kemp	-	31,000	-	-	31,000
Allan English	-	-	-	-	-
Bede King	-	-	-	-	-
Alternate Director					
Don Mackenzie	5,000	-	-	-	5,000
Senior Executives					
Peter Harding-Smith	100,000	-	-	-	100,000
Jim Quinn	-	-	-	-	-
Damien Guivarra	-	-	-	-	-
Total	105,000	31,000		-	136,000

29 Key Management Personnel (continued)

Loans and other transactions with Directors and Senior Executives

Loans

Details regarding loans outstanding at the reporting date to Directors and Senior Executives, where the individual's aggregate loan balance exceeded $100,000 at any time in the reporting period, are as follows:

	Balance 30 June 06	Balance 30 June 05	Interest paid and payable in the reporting period	Highest balance in the period
	$000	$000	$000	$000
Directors				
Allan English	255	461	38	461

Interest on the loan with Allan English is charged at 7.5% p.a. There is no time frame specified for the repayment of the loan account, although it is anticipated that the loan will be repaid by the application of dividend payment receivable by The A English Family Trust within the next 12 months.

Other transactions with the Company or its controlled entities

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

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

The aggregate amount recognised during the year relating to directors, senior executives and their personally-related entities, were total expenses of $9,856. Details of the transactions are as follows:

	Transaction	Note	2006	2005
Directors			$000	$000
Bede King	Legal advice	(i)	10	10
Andrew Kemp	Nil	(ii)	-	104
			10	114

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

(ii) Huntington Group Pty Limited earned handling fees totaling $4,700 in respect to the June 2006 rights issue. This fee was billed to Wilson HTM, manager of the issue.

During the prior year, the Company paid professional fees to Huntington Group Pty Limited for services in respect to the unsecured notes issue and the Company's initial public offer. Amounts billed were based on normal market rates for such services and were due and payable under normal payment terms.

During the prior year, as part of Huntington Group Pty Limited fee structure for work performed on the unsecured note issue and the IPO, the Company granted Huntington Group Pty Limited 150,000 options contingent upon Silver Chef raising capital and listing on an authorised stock exchange. The value of these options for IFRS purposes has been calculated using the below data at $78,545.

Name	Number of options	Grant Date	Expiry Date	Ave. Fair value per option	Exercise price	Price of share on grant date	Estimated volatility	Risk Free Interest Rate
Andrew Kemp	150,000	24 May 2005	24 May 2008	0.5236	$1.00	$1.00	13%	5.18%

During the prior year, the Company used the consulting services of Bede King in relation to the unsecured notes issue by Silver Chef Finance Company Limited. Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms.

30 Other related parties

The classes of non-director related parties are:

- Wholly-owned controlled entities
- Associated entities

	Consolidated		Parent	
	June 06 $000	June 05 $000	June 06 $000	June 05 $000
The aggregate amounts included in the profit from ordinary activities before income tax expense that resulted from transactions with non-director related parties are:				
Interest expense - Wholly-owned controlled entities	-	-	1,747	1,586
Receivables				
Aggregate amounts receivable from non-director related parties				
Amounts receivable other than trade debtors				
Current - Associated entities	30	17	30	17
- Wholly-owned controlled entities	-	-	133	317
Payables				
Aggregate amounts payable to non-director related parties				
Amounts payable other than trade creditors				
Non-current - Wholly-owned controlled entities	-	-	13,409	13,409

Transactions with Medical Technology Finance Pty Ltd

During the year Silver Chef Limited derived rental income from Medical Technology Finance Pty Ltd totaling $1,169,039 (2005 $580,356). For the same period Silver Chef Limited received a management fee from Medical Technology Finance of $62,865 (2005 $43,830).

Percentage of equity interest

Details of equity interests held in classes of related parties are set out as follows:

Controlled entities	Note 26
Joint venture entities	Note 27

Ultimate parent entity

The ultimate parent entity in the wholly owned group is Silver Chef Limited.

31 Convertible and Unsecured Note Arrangements

Convertible Note Trust Deed

Silver Chef entered into a Convertible Note Trust Deed dated 12 April 2005 with the Trustee on behalf of the Convertible Noteholders. The Convertible Note Trust Deed was amended on the 17 May 2006 for changes in the Net Tangible Asset and Indebtedness covenants. The Convertible Note Trust Deed outlines the basis on which the Convertible Notes will be held.

A summary of the key terms of the Convertible Note Trust Deed is set out below.

The Convertible Note Trust Deed provides that the Trustee holds the following on trust for the benefit of Convertible Noteholders:

- the right to enforce Silver Chef's duty to repay the Convertible Notes;
- the right to enforce any charge or security for repayment;
- the right to enforce any other duty that the Company has under the terms of the Convertible Notes, the provisions of the Trust Deed or the Corporations Act.

Event of default

Upon the occurrence of an event of default, the Convertible Noteholders have the powers to direct the Trustee to:

- enforce the obligations of Silver Chef under the Convertible Note Trust Deed;
- to direct Silver Chef to redeem the Convertible Notes in full;
- to commence legal proceedings against Silver Chef to recover monies owing; or
- to take any other such action as the Convertible Noteholders deem appropriate to recover the money owing.

Status of the Convertible Notes

All Convertible Notes are issued on the condition that the liabilities of Silver Chef to Convertible Noteholders and to the Trustee will at all times be unsecured and will rank in priority and right of payment behind and subordinated to all secured finance debt, and shall rank pari passu with all other unsecured creditors of the Company.

The Convertible Note Trust Deed does not prevent the Company from incurring any other indebtedness provided that the net tangible assets of the consolidated group are not less than $5 million.

Meetings of Convertible Noteholders

On the application of Convertible Noteholders holding not less than 10% of the value of the Convertible Notes, Silver Chef will convene a meeting of Convertible Noteholders to consider the financial information presented to the last preceding annual general meeting of the Company, and to give the Trustee directions in relation to the exercise of the Trustee's powers.

General covenants

Silver Chef covenants to:

- give the Trustee any information which it may reasonably require for the purposes of the Convertible Note Trust Deed;
- immediately advise the Trustee in writing of any default;
- duly and punctually fulfill and perform all of its obligations under the Deed, and the Corporations Act;
- not pay any dividend while any interest on the Convertible Notes is overdue and unpaid;
- not without the prior consent of the Trustee reduce its capital; and
- do all things necessary for giving effect to the terms of the Convertible Note Trust Deed.

31 Convertible and Unsecured Note Arrangements (continued)

Financial covenants

The Company shall:

- within 90 days of the end of a financial year of the Company, cause a set of consolidated accounts for the Company for that financial year to be provided to the Trustee;
- within 75 days of the end of the first 6 months of a financial year of the Company, cause a set of half year unaudited consolidated financial statements of the Company and its controlled entities for that half year to be provided to the Trustee;
- not enter into financial indebtedness or otherwise provide security over the assets of the Company or any entities it controls where such indebtedness is in excess of $8 million without the consent of the Trustee;
- not acquire any significant assets outside of the rental asset pool without the consent of the Trustee; and
- not issue any significant interests in the equity or otherwise of the Company or any entities it controls without the consent of the Trustee.

Unsecured Notes

Advances from Silver Chef Finance Company Limited ("SC Finance")

SC Finance was incorporated in March 2004 as a special purpose finance company and a member of the Silver Chef Limited Group ("SC Group"). It issued a prospectus to initially raise $10m through the issue of Unsecured Notes supported by a fixed and floating charge over SC Finance held by the Trustee for note holders. The prospectus provided that all funds raised would be advanced to Silver Chef Limited ("Silver Chef") which is the borrower under the Master Agreement, and supported by a charge over Silver Chef's rental equipment and assets and undertakings to be held by SC Finance.

Terms and conditions – Master Agreement (Silver Chef Limited and SC Finance)

The provisions of the Master Agreement determine the conduct of the business relationship between Silver Chef and SC Finance. The key provisions are:

(a) pay to SC Finance interest on the loan, which is the equivalent to the cost of any funds advanced to Silver Chef plus any costs associated with the operation of SC Finance.

(b) Maintain a liability to asset ratio of not more than 80% of total assets, where assets are defined as the written down value of rental equipment, and liabilities are defined as the total amount owing to noteholders less cash on deposit;

(c) Maintain an interest cover greater than or equal to either of the following:

(i) the amount that consolidated earnings before interest and tax as determined for each previous six monthly period exceeds 1.6 times interest payable on all finance debt; or

(ii) the amount that consolidated earnings before interest, tax depreciation and amortisation as determined for each previous six monthly period exceeds 3.5 times interest payable on all finance debt;

32 Employee Share Option Plan

The Company has granted 308,000 Options to 28 employees under the Employee Share Option Plan on the 24 May 2005.

The Employee Share Option Plan is administered by the Board, which may make offers of Options to 'eligible employees' (including Directors, senior managers and employees) for no consideration as a bonus component to their remuneration. Each Option entitles the Option holder to subscribe for one Share at a specified exercise price.

The Board has granted 20,000 share option to Damien Guivarra effective 1 July 2006. The option expires on 1 July 2010 and the exercise price on the options is $1.85.

Details of the options granted are set out below:

Name of grantee	Number of options	Exercise price	Exercise and vesting conditions	Expiry date
Jim Quinn	150,000	$1.25	33.33% on 31 Dec 05 33.33% on 31 Dec 06 33.33% on 31 Dec 07	30 December 2008
Peter Harding-Smith	75,000	$1.25	33.33% on 31 Dec 05 33.33% on 31 Dec 06 33.33% on 31 Dec 07	30 December 2008
Damien Guivarra	20,000	$1.85	33.33% on 1 July 07 33.33% on 1 July 08 33.33% on 1 July 09	1 July 2010
One employee	20,000	$1.25	33.33% on 31 Dec 05 33.33% on 31 Dec 06 33.33% on 31 Dec 07	30 December 2008
Two employees	10,000	$1.25	50% on 30 Nov 2005 50% on 30 Nov 2006	The third anniversary of their date of issue
Four employees	5,000	$1.25	50% on 30 Nov 2005 50% on 30 Nov 2006	The third anniversary of their date of issue
Four employees	2,000	$1.25	50% on 30 Nov 2005 50% on 30 Nov 2006	The third anniversary of their date of issue
15 employees	1,000	$1.25	50% on 30 Nov 2005 50% on 30 Nov 2006	The third anniversary of their date of issue

The options do not provide for any voting rights or rights to dividends prior to the option being exercised.

Other than the options issued to Damien Guivarra, no other options have been issued under the Employee Share Option Plan, since July 2006.

33 Impact of Adopting AASB Equivalents to IFRS Standards (continued)

Summary of transitional adjustments

The following table sets out the adjustments to the balance sheet of the Company and the consolidated entity at transition to AIFRS as at 1 July 2004 and for the AIFRS comparative period balance sheet as at 30 June 2005.

Reconciliation of equity

		CONSOLIDATED 1 JULY 2004			CONSOLIDATED 30 JUNE 2005			THE COMPANY 1 JULY 2004			THE COMPANY 30 June 2005		
		AGAAP $000	Transition Impact $000	AIFRS $000	AGAAP $000	Transition Impact $000	AIFRS $000	AGAAP $000	Transition Impact $000	AIFRS $000	AGAAP $000	Transition Impact $000	AIFRS $000
ASSETS													
Current assets													
Cash and cash equivalents		4,440	-	4,440	8,457	-	8,457	1,023	-	1,023	8,455	-	8,455
Trade and other receivables	(f)	537	-	537	1,181	-	1,181	540	-	540	1,498	(13)	1,485
Other current assets	(a)	101	-	101	67	(12)	55	101	-	101	61	(14)	47
Total current assets		5,078	-	5,078	9,705	(12)	9,693	1,664	-	1,664	10,014	(27)	9,987
Non-current assets													
Investment properties		882	-	882	2,389	-	2,389	882	-	882	2,389	-	2,389
Other financial assets		-	-	-	15	-	15	1	-	1	17	-	17
Equity accounted investments		1	-	1	1	-	1	1	-	1	1	-	1
Property, plant and equipment		7,674	-	7,674	18,135	-	18,135	7,674	-	7,674	17,509	-	17,509
Trade and other receivables		1,755	-	1,755	-	-	-	1,755	-	1,755	-	-	-
Other non-current assets	(a)(b)	602	(598)	4	889	(889)	-	189	(187)	2	483	(483)	-
Total non-current assets		10,914	(598)	10,316	21,428	(889)	20,540	10,502	(187)	10,315	20,399	(483)	19,916
Total assets		15,992	(598)	15,394	31,133	(901)	30,233	12,166	(187)	11,979	30,413	(510)	29,903

33 Impact of Adopting AASB Equivalents to IFRS Standards (continued)

		CONSOLIDATED 1 JULY 2004			CONSOLIDATED 30 JUNE 2005			THE COMPANY 1 JULY 2004			THE COMPANY 30 June 2005		
		AGAAP	**Transition Impact**	**AIFRS**	**AGAAP**	**Transition Impact**	**AIFRS**	**AGAAP**	**Transition Impact**	**AIFRS**	**AGAAP**	**Transition Impact**	**AIFRS**
		$000	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
LIABILITIES													
Current liabilities													
Trade and other payables		2,649	-	2,649	3,989	-	3,989	2,195	-	2,195	3,938	-	3,938
Tax liabilities	(e)	186	-	186	114	(9)	105	186	-	186	114	(9)	105
Provisions		83	-	83	65	-	65	83	-	83	65	-	65
Other financial liabilities		3,312	-	3,312	832	-	832	42	-	42	624	-	624
Total current liabilities		6,230	-	6,230	5,000	(9)	4,991	2,506	-	2,506	4,741	(9)	4,732
Non-current liabilities													
Other financial liabilities	(b)	6,922	(598)	6,324	20,881	(879)	20,002	6,820	(187)	6,633	20,419	(475)	19,944
Deferred tax liabilities	(e)	270	-	270	389	(55)	334	270	-	270	390	(69)	321
Provisions		13	-	13	13	-	13	13	-	13	13	-	13
Total non-current liabilities		7,205	(598)	6,607	21,283	(934)	20,349	7,103	(187)	6,916	20,822	(544)	20,278
Total liabilities		13,435	(598)	12,837	26,283	(943)	25,340	9,609	(187)	9,422	25,563	(553)	25,010
Net Assets		2,557	-	2,557	4,850	43	4,893	2,557	-	2,557	4,850	43	4,893
EQUITY													
Share capital	(c)(e)	585	-	585	2,869	72	2,941	585	-	585	2,869	72	2,941
Retained profits		1,972	-	1,972	1,981	(29)	1,952	1,972	-	1,972	1,981	(29)	1,952
Total Equity		2,557	-	2,557	4,850	43	4,893	2,557	-	2,557	4,850	43	4,893

33 Impact of Adopting AASB Equivalents to IFRS Standards (continued)

Reconciliation of profit for the financial year ended 30 June 2005
The following table sets out the expected adjustments to the income statement of the Company and the consolidated entity for the year ended 30 June 2005.

		CONSOLIDATED For the year ended 30 June 2005			COMPANY For the year ended 30 June 2005		
		AGAAP	**Transition Impact**	**AIFRS**	**AGAAP**	**Transition Impact**	**AIFRS**
		$000	**$000**	**$000**	**$000**	**$000**	**$000**
Revenue	(d)	12,019	(2,821)	9,198	11,994	(2,821)	9,173
Expenses	(a)(c)(d)	(9,181)	2,791	(6,390)	(9,146)	2,791	(6,355)
Finance costs		(1,682)	-	(1,682)	(1,692)	-	(1,692)
Profit before income tax expense		1,156	(30)	1,126	1,156	(30)	1,126
Income tax expense	(e)	(319)	1	(318)	(319)	1	(318)
Profit for the period		837	(29)	808	837	(29)	808

Summary of impact of transition to AIFRS on retained earnings

	Consolidated	**Company**
	$000	**$000**
Retained earnings as at 1 July 2004 under AGAAP	2,557	2,557
AIFRS reconciliation:	-	-
Retained earnings as at 1 July 2004 under AIFRS	2,557	2,557

Explanation of transitional adjustments

(a) Intangibles

Intangible assets of $22,100 did not meet the recognition criteria of intangible assets under AASB 138 Intangible Assets and have accordingly been derecognised.

(b) Borrowing costs

Under AASB 139 Financial Instruments: Recognition & Measurement, all loan establishment costs will be transferred from assets to net off against the long-term borrowing liability and continue to be amortised such that at the end of the notes period the liability will equal the face value. This adjustment has no effect on profit for the year ended 30 June 2005, however the effect of the reclassification is reflected in the summary of transitional adjustments.

33 Impact of Adopting AASB Equivalents to IFRS Standards (continued)

(c) Equity-based compensation benefits

Under AASB 2 Share-base Payments, employee option costs now need to be expensed by charging the fair value of the estimated cost of the option against profits commencing from 1 July 2004. In accordance with AASB 2, the entity has expensed the fair value of options. The directors have determined the fair value of options issued for the year ended 30 June 2005 to be $8,305.

(d) Sale of non-current assets

AASB 118 Revenue, requires the gain or loss on the disposal of an item of property, plant and equipment and investment properties to be recognised on a net basis as revenue or an expense, rather than separately recognising the consideration received as revenue. This adjustment has no effect on profit for the year ended 30 June 2005, however the effect of the reclassification is reflected in the summary of transitional adjustments.

(e) Tax effect of equity raising costs

AASB 112 Income Tax, requires transaction costs of an equity transaction to be accounted for as a deduction from equity, net of any related income tax benefit. The entity has recorded the deferred tax balance to recognise the deduction and increased share capital to reflect the reduction in transaction costs.

(f) Deferred tax balances relating to subsidiaries

AASB 112 Income Tax, requires deferred tax balances relating to subsidiaries (excluding losses) to be recorded in the balance sheet of the subsidiaries. The proportion of income tax expense relating to these balances has been assumed by the parent entity via an inter-entity balance. This adjustment has no effect on profit for the year ended 30 June 2005, however the effect of the reclassification is reflected in the summary of transitional adjustments.

34 Events subsequent to balance date

There were no matters or circumstances that have arisen since 30 June 2006 that has significantly affected Silver Chef Limited, or may significantly affect Silver Chef Limited in the future.

Silver Chef Limited
Directors' Declaration

1. In the opinion of the Directors of Silver Chef Limited:

   (a) the financial statements and notes, set out on pages 21 to 61, are in accordance with the Corporations Act 2001, including:

      i. giving a true and fair view of the financial position of the Company and the consolidated entity as at 30 June 2006 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date; and

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

   (b) as at the date of this declaration there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

2. The Directors have been given the declarations by the Managing Director and Chief Financial Officer for the financial year ended 30 June 2006 pursuant to Section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors

Allan English
Director
Brisbane
29 August 2006

Chartered Accountants
& Business Advisers

INDEPENDENT AUDIT REPORT TO MEMBERS OF SILVER CHEF LIMITED

Scope

The financial report and Directors' responsibility

The financial report comprises the balance sheet, statement of changes in equity, income statement, statement of cash flows, accompanying notes to the financial statements, and the Directors' declaration for both Silver Chef Limited (the company) and Silver Chef Limited and controlled entities (the consolidated entity), for the year ended 30 June 2006. The consolidated entity comprises both the Company and the entities it controlled during that year.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Tel: 61 7 3226 3555 | Fax: 61 7 3226 3500 | www.pkf.com.au
ABN 83 236 985 726
Level 6, 120 Edward Street | Brisbane | Queensland 4000 | Australia
GPO Box 1078 | Brisbane | Queensland 4001

Chartered Accountants
& Business Advisers

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Audit opinion

In our opinion, the financial report of Silver Chef Limited is in accordance with:

(a) The Corporations Act 2001, including:

(i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2006 and of their performance for the year ended on that date; and

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

(b) other mandatory financial reporting requirements in Australia.

PKF

PKF
Chartered Accountants

C G Bellamy
Partner

Dated at Brisbane this 29th day of August, 2006.

Chartered Accountants
& Business Advisers

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

To : The Directors' of Silver Chef Limited

As lead engagement partner for the audit of Silver Chef Limited for the year ended 30 June 2006, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act in relation to the audit; and

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

PKF

PKF
Chartered Accountants

C G Bellamy
Partner

Dated at Brisbane this 29th day of August, 2006.

Tel: 61 7 3226 3555 | Fax: 61 7 3226 3500 | www.pkf.com.au
ABN 83 236 985 726
Level 6, 120 Edward Street | Brisbane | Queensland 4000 | Australia
GPO Box 1078 | Brisbane | Queensland 4001

ASX ADDITIONAL INFORMATION

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

Shareholdings (as at 17 August 2006)

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

Shareholder	Number of ordinary shares
Tessana Pty Ltd ATF The A English Family Trust	8,110,000

Voting Rights

Ordinary shares

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

Options

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

Convertible Notes

These notes do not give their holders any voting rights at shareholders' meeting. However, the Trustee for the notes has the right to veto any decision prejudicial to the note holders.

Distribution of security holders

	NUMBER OF SECURITY HOLDERS		
Category	**Ordinary shares**	**Options**	**Convertible notes**
1 – 1,000	27	15	0
1,001 – 5,000	298	8	47
5,001 – 10,000	108	2	64
10,001 – 100,000	100	3	110
100,001 and over	7	1	4
	540	29	225

The number of shareholders with less than a marketable parcel of ordinary shares is 4 and they hold 952 securities.

On-market buy-back

There is no current on-market buy-back.

ASX ADDITIONAL INFORMATION (continued)

Twenty largest shareholders

Name	Number of ordinary shares held	Percentage of capital held
Tessana Pty Ltd	8,110,000	60.49
Westpac Custodian Nominees Limited	651,696	4.86
Contemplator Pty Ltd	208,724	1.56
ANZ Nominees Limited	208,714	1.56
De Gruyter Investments Pty Ltd	173,488	1.29
Huntington Investment Services Pty Limited	171,429	1.28
Byland Capital Pty Ltd	137,219	1.02
Boda Investments Pty Ltd	70,000	0.52
Oaktel Investments Pty Ltd	58,143	0.43
Trust Company of Australia Ltd	54,305	0.41
Chimaera Capital Limited	53,333	0.40
Paraway Pty Ltd	53,000	0.40
Abadi Pty Ltd	52,429	0.39
Mast Capital Pty Ltd	47,886	0.36
Harvels Pty Ltd	47,362	0.35
Atkone Pty Ltd	46,610	0.35
Trust Company Super Services Ltd	40,904	0.31
Huntington Group Pty Limited	39,314	0.29
Trust Company Superannuation Services Ltd	36,667	0.27
Findlay William Andrews	36,400	0.27
Total for top 20:	**10,297,623**	**76.81**

Twenty largest convertible noteholders

Name	Number of convertible notes held	Percentage of capital held
Oaktel Investments Pty Ltd	600,000	12.00
Atkone Pty Ltd	250,000	5.00
Contemplator Pty Ltd	250,000	5.00
Stilwood Custodians Pty Ltd	110,000	2.20
Mrs Louella Harding-Smith	100,000	2.00
Hillmorton Custodians Pty Ltd	100,000	2.00
Power 12 Pty Ltd	100,000	2.00
Kreskin Pty Ltd	80,000	1.60
Trafalgar Custodians Pty Ltd	80,000	1.60
Trust Company Superannuation	70,000	1.40
Badge Nominees Pty Ltd	60,000	1.20
Mr Hoylen Sue	60,000	1.20
Harvels Pty Ltd	50,000	1.00
Mr Ian Luther Jones & Mrs Jennifer Mary Polley	50,000	1.00
Majana Pty Ltd	50,000	1.00
Keith Ross, Allison Ross & Robert Leonard Jackson	50,000	1.00
Gail Shadforth & John Shadforth	50,000	1.00
Trust Company of Australia Ltd	50,000	1.00
Mr David Hardie & Mrs Penny Hardie	46,100	0.92
Moresnet Pty Ltd	46,000	0.92
Total for top 20:	**2,252,100**	**45.04**

Silver Chef Limited
ACN 011 045 828

Company Directory

Directors
Andrew Kemp (Chairman and Non-executive director)
Allan English (Managing Director)
Bede King (Non-executive director)
Don Mackenzie (Chairman of Audit and Risk Management Committee, Alternate Director)

Company Secretary & Chief Financial Officer
Peter Harding-Smith

General Manager
Jim Quinn

Marketing Manager
Damien Guivarra

Registered Office and Principal Place of Business
14 Finchley Street
Milton Qld 4064
Telephone: 07 3335 3300
Facsimile: 07 3335 3399

Auditors
PKF

Solicitors
McCullough Robertson

Trustee for Unsecured Noteholders issued by Silver Chef Finance Company Limited
The Public Trustee of Queensland

Trustee for Convertible Noteholders issued by Silver Chef Limited
The Public Trustee of Queensland

Location of Share Register
Link Market Services Limited
Level 12, 300 Queen Street
Brisbane QLD 4000
Telephone: 1300 554 474
Facsimile: (07) 3228 4999

Stock Exchange
The Company is listed on the Australian Stock Exchange. The Home Exchange is Brisbane.
Code: Shares – SIV
Code: Convertible Notes – SIVG

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