

MOVE Logistics Limited
Financial Statements
For the Year Ended 31st March 2017

Company Directory

Annual Report

Statement of Financial Performance

Statement of Movements in Equity

Shareholders' Current Accounts

Statement of Financial Position

Notes to the Financial Statements

Compilation Report

MOVE Logistics Limited

Company Directory

As at 31st March 2017

Date of Incorporation

22 March 1989

Company Number

427403

IRD Number

51-304-357

Business Location

15 Sir James Wattie Drive
Hornby, Christchurch

Registered Office

4th Floor, 123 Victoria Street, Christchurch

Nature of Business

Warehouse Operations and Cartage Contractors

Share Capital

5,100 A Ordinary Shares

4,900 B Ordinary Shares

Shareholders

A Ordinary Shares:

Brendan Prendergast Family Trust	2549
Joanne Prendergast Family Trust	2549
Brendan Prendergast	1
Joanne Prendergast	1
	<u>1</u>
	<u>5100</u>

B Ordinary Shares:

Brendan Prendergast Family Trust	2450
Joanne Prendergast Family Trust	2450
	<u>2450</u>
	<u>4900</u>

Directors

Brendan Gerard Prendergast
Lance Patrick Ryan
Andrew John Tilby
Donald Bruce Cotterill

Chartered Accountants

Graeme Marriott
Nexia Christchurch Ltd
P O Box 4160, Christchurch 8140
Phone (03) 379-0829

MOVE Logistics Limited
Company Directory
As at 31st March 2017



Solicitors

Mark Cathro
Duncan Cotterill
PO Box 5, Christchurch 8140
Phone (03) 379-2430

Bankers

John Meates
ANZ
Christchurch
0800 269 296

MOVE Logistics Limited

Annual Report

For the Year Ended 31st March 2017

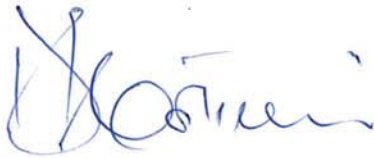
Financial Statements

The board of directors present the approved annual report including the historical financial statements of the Company for the year ended 31st March 2017.

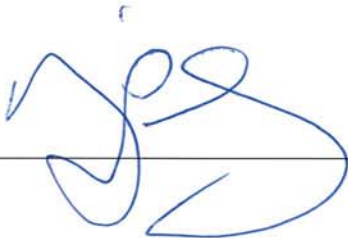
Non-compliance by agreement

The shareholders of the Company have exercised their right under section 211(3) of the Companies Act 1993, and unanimously agreed that this annual report need not comply with any of paragraphs (a) and (e)-(j) of section 211(1) of the Act.

For and on behalf of the board:



Director



Director

25th May 2017

MOVE Logistics Limited
Statement of Financial Performance
For the Year Ended 31st March 2017



	Note	2017 \$	2016 \$
INCOME			
Sales		43,327,683	38,283,403
OTHER INCOME			
Interest Received		411	8
Software Lease		168,382	79,439
Rent Received		45,746	312,364
		<u>214,539</u>	<u>391,811</u>
Total Income		43,542,222	38,675,214
EXPENDITURE			
Accident Compensation Levies		316,777	243,124
Accountancy Fees		26,541	48,069
Advertising		25,386	21,010
Bank Charges		20,894	25,396
Cafeteria Expenses		26,569	22,006
Cleaning & Pest Control		133,393	75,254
Claims		208,915	171,727
Compliance Expenses		64,624	40,805
Computer Expenses		257,154	192,860
Consultancy		134,971	210,202
Directors' Fees		84,000	84,000
Donations		1,557	5,071
Entertainment		34,361	32,959
Freight & Courier		123,581	98,827
FBT		43,088	31,360
General Expenses		4,157	5,770
Insurance		634,567	759,524
Kiwisaver Employer Contribution		429,679	333,064
Legal Expenses		4,656	9,196
Light, Power & Heating		177,452	183,771
Loan Fees		-	28,150
Motor Vehicle & Forklift Expenses		4,198,294	4,136,685
Operating Lease - Trucks		3,774,871	3,212,492
Packaging		570,587	574,525
Printing, Stamps & Stationery		112,528	96,073
Protective Clothing /Uniforms		192,463	170,637
Rates		217,999	186,407
Rent		3,402,268	3,562,319
Rebate - Lion SI		-	2,842
Repairs & Maintenance		182,429	223,154
Road User Charges		1,520,343	1,412,883
Rubbish Removal		99,878	80,593
Security		53,539	24,700
Shareholders' Salaries		258,500	258,500
Staff Expenses		375,266	300,380
Subcontractors		4,718,200	4,633,531
Subscriptions		23,208	16,842

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Compilation Report. It has not been subject to an audit or review engagement.

MOVE Logistics Limited
Statement of Financial Performance
For the Year Ended 31st March 2017



	Note	2017 \$	2016 \$
Telephone, Tolls & Internet		243,783	248,453
Temporary Staff Expenses		1,393,118	1,459,364
Travel Expenses		102,525	122,817
Wages & Salaries		15,473,092	12,939,997
Warehouse Management System		<u>51,887</u>	<u>65,413</u>
Total Expenses		<u>39,717,100</u>	<u>36,350,754</u>
Net Surplus Before Depreciation		3,825,122	2,324,460
Less Depreciation Adjustments			
Depreciation as per Schedule		1,078,402	952,193
Depreciation - Loss on Sale		<u>27,355</u>	<u>-</u>
Net Depreciation Adjustment		<u>1,105,757</u>	<u>952,193</u>
NET SURPLUS BEFORE INTEREST & TAXATION		2,719,365	1,372,267
LESS			
Interest - Loans		107,476	152,207
Interest - Other		<u>82,790</u>	<u>103,907</u>
Total Interest		190,266	256,114
NET SURPLUS BEFORE TAXATION		<u>2,529,099</u>	<u>1,116,153</u>
LESS			
Income Tax Expense		<u>869,115</u>	<u>371,987</u>
		869,115	371,987
NET SURPLUS AFTER TAXATION		<u><u>\$1,659,984</u></u>	<u><u>\$744,166</u></u>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Compilation Report. It has not been subject to an audit or review engagement.

MOVE Logistics Limited
Statement of Movements in Equity
For the Year Ended 31st March 2017

	2017	2016
	\$	\$
EQUITY AT START OF PERIOD	4,030,629	3,823,777
SURPLUS & REVALUATIONS		
Net Surplus After Tax	<u>1,659,984</u>	<u>744,166</u>
TOTAL RECOGNISED REVENUES & EXPENSES	1,659,984	744,166
OTHER MOVEMENTS		
Distribution to Owners	-	537,313
EQUITY AT END OF PERIOD	<u><u>\$5,690,613</u></u>	<u><u>\$4,030,629</u></u>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Compilation Report. It has not been subject to an audit or review engagement.

MOVE Logistics Limited
Directors/Shareholders' Current Account
For the Year Ended 31st March 2017

	2017 \$	2016 \$
<u>B Prendergast Family Trust</u>		
Opening Balance	282,386	251,873
Dividend Received Net of RWT	-	250,000
	<u>-</u>	<u>250,000</u>
	282,386	501,873
Less		
Cash Drawings	298,170	219,487
Interest on Overdrawn Current Account	<u>205</u>	<u>-</u>
	298,376	219,487
CLOSING BALANCE	<u><u>(\$15,989)</u></u>	<u><u>\$282,386</u></u>
<u>J Prendergast Family Trust</u>		
Opening Balance	282,386	251,873
Dividend Received Net of RWT	-	250,000
	<u>-</u>	<u>250,000</u>
	282,386	501,873
Less		
Cash Drawings	298,170	219,487
Interest on Overdrawn Current Account	<u>205</u>	<u>-</u>
	298,376	219,487
CLOSING BALANCE	<u><u>(\$15,989)</u></u>	<u><u>\$282,386</u></u>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Compilation Report. It has not been subject to an audit or review engagement.

MOVE Logistics Limited
Statement of Financial Position
As at 31st March 2017

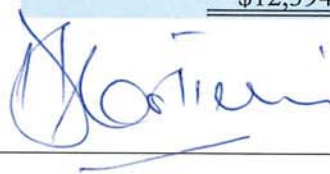
	Note	2017 \$	2016 \$
CURRENT LIABILITIES			
GST Due for Payment		250,918	178,482
Taxation		418,136	203,987
Accounts Payable - Trade		1,812,649	1,813,405
Accrued Expenses		1,733,772	921,030
Term Loans - Current Portion	12	533,163	558,525
B Prendergast Family Trust		-	282,386
J Prendergast Family Trust		-	282,386
TOTAL CURRENT LIABILITIES		4,748,638	4,240,201
NON-CURRENT LIABILITIES			
The UDC Assetlink Loan		1,360,392	2,051,038
Goodman Nominee (NZ) Limited Loan		160,782	196,791
ANZ Loan #1004		-	132,313
ANZ Loan #1005		189,998	267,206
ANZ Loan #1007		243,709	341,952
TOTAL NON-CURRENT LIABILITIES		1,954,881	2,989,300
SHAREHOLDERS' EQUITY			
Reserves		630,200	630,200
Retained Earnings		5,060,413	3,400,430
TOTAL SHAREHOLDERS' EQUITY		5,690,613	4,030,630
		<u>\$12,394,132</u>	<u>\$11,260,131</u>

Director



25th May 2017

Director



NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Compilation Report. It has not been subject to an audit or review engagement.

	Note	2017 \$	2016 \$
CURRENT ASSETS			
ANZ Business Flex Facility		1,494,718	790,128
Cash on Hand		-	3,000
MOGO Labs Loan		25,000	-
Accounts Receivable - Trade	1(a)	3,831,315	3,168,120
Sundry Debtors	1(a)	13,760	20,257
Prepayments		426,790	366,115
Produce Place Set Up Costs		10,308	-
B Prendergast Family Trust		15,989	-
J Prendergast Family Trust		15,989	-
Southern Fleet Leasing Limited		<u>1,813,838</u>	<u>1,532,371</u>
TOTAL CURRENT ASSETS		7,647,707	5,879,992
NON-CURRENT ASSETS			
Motor Vehicles		81,553	99,862
Computer Equipment		441,751	100,550
Office Equipment		117,667	216,051
Plant & Machinery		3,416,512	4,258,900
Leasehold Improvements		563,150	629,778
Intangible Assets		<u>50,791</u>	<u>-</u>
TOTAL NON-CURRENT ASSETS		4,671,424	5,305,140
INVESTMENTS			
Unite Logistics Limited	1(d)	75,000	75,000
		<u>\$12,394,131</u>	<u>\$11,260,132</u>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements and the Compilation Report. It has not been subject to an audit or review engagement.

MOVE Logistics Limited

Notes to the Accounts

For the Year Ended 31st March 2017

1. STATEMENT OF ACCOUNTING POLICIES

GENERAL ACCOUNTING POLICIES

ENTITY & MEASUREMENT BASE

These are the financial statements of MOVE Logistics Limited ('the company'). They have been prepared in accordance with the Financial Reporting Act 2013. MOVE Logistics Limited is a company incorporated in New Zealand registered under the Companies Act 1993. MOVE Logistics Limited is engaged in the business of Warehouse Operations and Cartage Contractors.

The special purpose financial statements were authorised for issue in accordance with a resolution of directors dated 23rd May 2017.

The financial statements of MOVE Logistics Limited have been prepared in accordance with Special Purpose Framework for use by For-Profit Entities (SPFR for FPEs) published by the New Zealand Institute of Chartered Accountants. The general accounting policies recognised as appropriate for the measurement and reporting of financial statements have been followed in the preparation of these financial statements.

The financial statements of MOVE Logistics Limited have been prepared on a historical cost basis, except as noted otherwise below. Accrual accounting is used to match expenses to revenues.

The information is presented in New Zealand dollars.

PARTICULAR ACCOUNTING POLICIES

The following is a summary of the significant accounting policies adopted by the entity in the preparation of the financial statements.

(a) ACCOUNTS RECEIVABLE

Accounts Receivable are stated at their net realisable value.

(b) FIXED ASSETS AND DEPRECIATION

Depreciation has been charged at rates designed to spread the cost of the assets over their respective lives. Assets are depreciated on a Straight Line (SL) or Diminishing Value (DV) basis. For Taxation purposes, depreciation has been calculated at the maximum rates allowed by the Inland Revenue Department for income tax purposes.

The depreciation rates for the following asset categories, range as follows:

Plant & Machinery 8.00% to 50.00% DV or over 4 to 5 years SL
Office Equipment 10.00% to 67.00% DV or over 3 to 5 years SL
Computer Equipment 20.00% to 67.00% DV or over 2 to 8 years SL
Motor Vehicle 13.00% to 30.00% DV or over 3 to 5 years SL
Leasehold Improvements 4.00% to 40.00% DV or over 5 years SL
Intangible Assets 50.00% to 67.00% DV or over 2.5 to 5 years SL

(c) GOODS AND SERVICES TAX

These financial statements have been prepared on a GST exclusive basis.

Note: This Statement is to be read in conjunction with the Compilation Report. It has not been subject to an audit or review engagement.

MOVE Logistics Limited

Notes to the Accounts

For the Year Ended 31st March 2017

(d) **INVESTMENTS**

Where MOVE Logistics Limited holds an equity interest in another entity and that equity is less than 100%, the investments are shown at the initial costs of the investment.

MOVE Logistics Limited holds a 50% ownership interest in UNITE Logistics Limited. MOVE Logistics Limited's investment in UNITE Logistics Limited is shown at cost.

(e) **INCOME TAX**

Income Tax is accounted for using the "Taxes Payable Method". The income tax expense charged to the Statement of Financial Performance is the estimated tax payable in the current year, adjusted for any differences between the estimated and actual tax payable in prior years.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those used in previous years.

2. **AUDIT STATEMENT**

In accordance with a unanimous shareholders' resolution, pursuant to Section 196 (2) of the Companies Act 1993, these financial statements have not been audited.

3. **PROPERTY, PLANT & EQUIPMENT**

Motor Vehicles

Opening Balance Cost	161,134
Net Asset Movement	2,364
Less Accumulated Depreciation	<u>(81,946)</u>
Closing Book Value	81,553

Computer Equipment

Opening Balance Cost	157,052
Net Asset Movement	842,369
Less Accumulated Depreciation	<u>(557,669)</u>
Closing Book Value	441,751

Office Equipment

Opening Balance Cost	674,056
Net Asset Movement	(392,955)
Less Accumulated Depreciation	<u>(163,434)</u>
Closing Book Value	117,667

Plant & Machinery

Opening Balance Cost	6,404,886
Net Asset Movement	(394,327)
Less Accumulated Depreciation	<u>(2,594,047)</u>
Closing Book Value	3,416,512

Note: This Statement is to be read in conjunction with the Compilation Report. It has not been subject to an audit or review engagement.

MOVE Logistics Limited
Notes to the Accounts
For the Year Ended 31st March 2017

	Leasehold Improvements	
	Opening Balance Cost	755,257
	Net Asset Movement	(10,385)
	Less Accumulated Depreciation	<u>(181,722)</u>
	Closing Book Value	563,150
	 Intangible Assets	
	Opening Balance Cost	-
	Net Asset Movement	346,340
	Less accumulated depreciation	<u>(295,548)</u>
	Closing Book Value	<u>50,791</u>
	 Total Property, Plant & Equipment	 <u><u>\$4,671,424</u></u>
4.	CAPITAL RESERVE	
	Opening Balance	<u>630,200</u>
	Balance as at 31st March 2017	<u><u>\$630,200</u></u>
5.	CAPITAL COMMITMENTS	
	MOVE Logistics Limited is obligated to the purchase of a crane at the cost of \$224,000+GST with payment due in early May 2017. (31st March 2016: nil).	
6.	CONTINGENT LIABILITIES	
	MOVE Logistics Limited has no contingent liabilities as at 31st March 2017 (31st March 2016: Nil).	
7.	IMPUTATION CREDIT ACCOUNT	
	The balance of MOVE Logistics Limited's Imputation Credit Account as at 31st March 2017 was \$1,705,824 (31st March 2016: \$1,050,856).	

Note: This Statement is to be read in conjunction with the Compilation Report. It has not been subject to an audit or review engagement.

MOVE Logistics Limited

Notes to the Accounts

For the Year Ended 31st March 2017

8. OPERATING LEASES

PROPERTY

MOVE Logistics Limited leases the following premises. The terms and conditions for the lease are as follows:

Address: 80 Shands Road
 Commencement Date: 1 January 2003
 Terms: Initial lease period of nine years
 Terms of Renewal: Two further terms of five years each
 Renewal Date: Renewed 1 January 2012 for first 5 year renewal term.
 Final Expiry Date: 31 December 2021
 Annual Rent: \$488,000 plus GST

Address: 15 Sir James Wattie Drive
 Commencement Date: 15 March 2009
 Terms: Ten years
 Terms of Renewal: Two further terms of six years each
 Final Expiry Date: 15 March 2031
 Annual Rent: \$1,080,496 plus GST

Address: 75 Seymour Street
 Commencement Date: 27 August 2014
 Terms: Eight years
 Terms of Renewal: Two further terms of five years each
 Final Expiry Date: 26 August 2032
 Annual Rent: \$839,710 plus GST

Address: 49 Curries Road
 Commencement Date: 1 September 2014
 Terms: Three years
 Terms of Renewal: One further term of three years
 Final Expiry Date: 31 August 2020
 Annual Rent: \$171,644 plus GST

Address: 30 Highbrook Drive, Auckland
 Commencement Date: 1 May 2015
 Terms: Three years five months
 Terms of Renewal: No right of renewal
 Final Expiry Date: 30 September 2018
 Annual Rent: \$755,938 plus GST

MOTOR VEHICLES

Operating lease payments are charged to the statement of financial performance in the period they are incurred. MOVE Logistics Limited has entered into non-cancellable operating leases. Obligations payable after 31st March 2017 on these leases are as follows:

Payable not later than one year	\$1,418,630 plus GST
Payable one to two years	\$1,201,754 plus GST
Payable two to five years	\$1,586,049 plus GST
Payable later than five years	\$0

MOVE Logistics Limited leases motor vehicles from Southern Fleet Leasing Limited on a month by month basis.

MOVE Logistics Limited

Notes to the Accounts

For the Year Ended 31st March 2017



9. RELATED PARTY TRANSACTIONS

Brendan Prendergast is a Director of MOVE Logistics Limited and also a Trustee of both the Brendan Prendergast Family Trust and Jo-Anne Prendergast Family Trust. Both Trusts are shareholders of MOVE Logistics Limited.

Brendan Prendergast and Jo-Anne Prendergast are also shareholders of MOVE Logistics Limited in their own right.

Brendan and Joanne Prendergast are shareholders of both MOVE Logistics Limited and Southern Fleet Leasing Limited. Brendan Prendergast is also a Director of each company.

Southern Fleet Leasing Limited leased motor vehicles to MOVE Logistics Limited during the year for revenue totalling \$2,428,145 (2016: \$2,201,808).

MOVE Logistics Ltd advanced funds to and was repaid funds from Southern Fleet Leasing Ltd. As at 31 March 2017 MOVE Logistics Ltd was owed \$1,813,838 (2016: \$1,532,371) by Southern Fleet Leasing Ltd.

Move Logistics Ltd owns a 50% interest in UNITE Logistics Limited. During the year MOVE recorded sales of \$141,585 (2016: \$132,987) to UNITE Logistics Limited. At 31 March 2017, UNITE Logistics Limited owed \$11,931 (2016: \$14,827). Interest has not been charged on the intercompany advance because the companies have 100% common shareholding.

Brendan Prendergast is a Director and Shareholder of MOVE Logistics Limited and also a Director and Shareholder of MOGO Labs Limited. As at 31 March 2017 MOGO Labs Limited owes \$25,000 (2016: nil) to MOVE Logistics Limited. MOVE Logistics Limited was invoiced \$209,356 (2016: nil) for Computer Expenses, Computer Software and IT Consulting during the year. Interest has not been charged on the intercompany advance. The advance is due to be paid May 2017.

These services are provided at market rates.

In the normal course of business, MOVE Logistics Limited transacts with entities that the Directors of MOVE Logistics Limited have an interest in. All these transactions are at market rates.

10. BANKING FACILITIES

The company has the following facilities with ANZ Bank secured by way of a General Security Agreement and personal guarantees:

Commercial Credit Card Facility	\$60,000
Financial Guarantee Facility	\$430,000
Overdraft	\$600,000

Note: This Statement is to be read in conjunction with the Compilation Report. It has not been subject to an audit or review engagement.

MOVE Logistics Limited

Notes to the Accounts

For the Year Ended 31st March 2017

11. TAX RECONCILIATION

In accordance with FRS12, non-deductible items have been accounted for in determining assessable income as follows;

Net Surplus per Statement of Financial Performance	2,529,099
Add Depreciation for Accounting Purposes	1,105,757
Non Deductible ACC Accrued	88,622
Non Deductible Entertainment	27,538
Non Deductible Life Insurance	37,830
Holiday Pay not paid in 63 days	609,486
Lease Incentive Income Recognised	69,023
	<u>4,467,355</u>
Less Last Year Holiday Pay not paid in 63 Days	(297,384)
Last Year ACC Accrual	(66,401)
Depreciation for Taxation Purposes	(999,587)
	<u>\$3,103,983</u>

Provision for Taxation as follows:

Income Tax on above @ 28c	869,115
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12. TERM LIABILITIES

UDC Assetlink Loan of \$1,705,301 is secured by a general security interest, with a current interest rate of 5.55% p.a. on the different loans. There is \$344,909 of principal due within the twelve months after balance date.

ANZ Loan #1005 of \$267,591 is secured by a general security interest, with a current interest rate of 5.59% p.a. The repayment of this loan is due on 27th May 2020, with \$77,593 of principal due within the twelve months after balance date.

ANZ Loan #1007 of \$342,494 is secured by a general security interest, with a current interest rate of 6.09% p.a. The repayment of this loan is due on 27th May 2020, with \$98,785 of principal due within the twelve months after balance date.

Goodman Nominee (NZ) Limited Loan of \$172,658 is secured by a general security interest, with a current interest rate of 12% p.a. The repayment of this loan is due on 1st August 2022, with \$98,785 of principal due within the twelve months after balance date.

All past and future loans and advances made by B Prendergast Family Trust and J Prendergast Family Trust are secured by way of a general security interest.

MOVE Logistics Limited

Compilation Report

For the Year Ended 31st March 2017

COMPILATION REPORT TO THE DIRECTORS

Scope

On the basis of information you provided we have compiled, in accordance with Service Engagement Standard No.2: Compilation of Financial Information, the financial statements of MOVE Logistics Limited for the period ended 31 March 2017. Except as described below (if any), these statements have been prepared in accordance with the Companies Act 1993 and the Financial Reporting Act 2013 described in Note 1 to the financial statements.

Responsibility

You are solely responsible for the information contained in the financial statements and have determined that the Companies Act 1993 and the Financial Reporting Act 2013 used are appropriate to meet your needs and for the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

No Audit Or Review Engagement Undertaken

Our procedures use accounting expertise to undertake the compilation of the financial statements from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

Disclaimer of Liability Statement

As mentioned earlier in our report above, we have compiled the financial information based on information provided to us which has not been subject to an audit or review engagement. Accordingly, neither we or any of our employees accept any responsibility for the reliability, accuracy or completeness of the compiled financial information nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on the compiled financial information.

NEXIA CHRISTCHURCH LIMITED
CHARTERED ACCOUNTANTS
CHRISTCHURCH

25TH MAY 2017