

Special Purpose Management Accounts

NZL Group Limited

Statement of Financial Performance

\$000

(unless otherwise indicated)

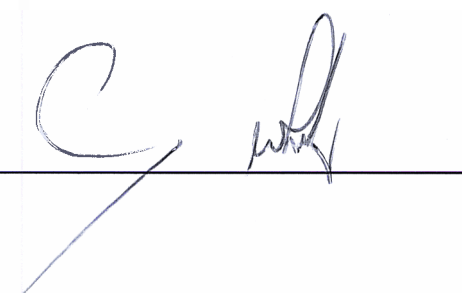
	12 Months ended 30 June 2015	12 Months ended 30 June 2016	10 Months ended 30 April 2017
Revenue	39,863	42,592	35,700
Expenses	(38,762)	(40,995)	(33,753)
EBITDA	1,101	1,597	1,947
Depreciation	(1,311)	(1,728)	(1,163)
Amortisation	-	-	-
Net Finance Costs	(528)	(569)	(491)
Operating Surplus / (Deficit) Before Income Tax	(738)	(700)	293
Loss on Sale of Investment	-	-	-
Loss on Revaluation of Property	-	-	-
Profit / (Loss) Before Income Tax	(738)	(700)	293
Income Tax Expense / (Credit)	207	196	(82)
Profit / (Loss) for the Year	(531)	(504)	211
Gain on Revaluation of Property	2,242	2,256	-
Total Other Comprehensive Income	2,242	2,256	-
Total Comprehensive Income	1,710	1,752	211

Special Purpose Management Accounts

NZL Group Limited Statement of Financial Position \$000 (unless otherwise indicated)

	30 June 2015	30 June 2016	30 April 2017
Cash and cash equivalents	1	1	0
Trade receivables	5,310	7,813	6,969
Other receivables and prepayments	1,146	127	1,494
Inventories	25	25	15
Current tax asset	131	(112)	0
Amounts due from related parties	669	600	-
Total Current Assets	7,282	8,455	8,479
Property, Plant and Equipment	7,315	8,929	13,272
Intangible Assets	174	93	77
Other Non Current Assets	-	-	-
Total Non Current Assets	7,488	9,021	13,349
Total Assets	14,771	17,476	21,828
Bank overdraft	3,992	3,687	1,314
Trade payables	2,277	2,727	3,489
Other payables and accrued expenses	272	347	893
Employee benefits	494	648	420
Amounts due to related parties	1,931	(780)	-
Total Current Liabilities	8,966	6,629	6,116
Interest bearing loans and borrowings	2,044	4,182	5,581
Deferred tax liability	374	972	1,042
Total Non-Current Liabilities	2,418	5,153	6,623
Total Liabilities	11,384	11,783	12,739
Net Assets	3,386	5,693	9,089
Equity			
Contributed equity	428	428	428
Reserves	3,001	5,257	5,257
Retained Earnings	(42)	9	3,404
Total Equity	3,386	5,693	9,089

Signed



Date: 16.11.17

Special Purpose Management Accounts

NZL Group Limited

Statement of Changes in Equity

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(unless otherwise indicated)

	Share Capital	Reserves	Retained Earnings	Total Equity
Balance as at 1 July 2014	428	759	(696)	491
Profit / (Loss) for The Period	-	-	(531)	(531)
Other Comprehensive Income	-	2,242	-	2,242
Total Comprehensive Income	-	2,242	(531)	1,710
Transaction with Owners				
Subscription for Shares	-	-	-	-
Distribution to Owners	-	-	-	-
Movements arising from carve out	-	-	1,185	1,185
Total Transaction with Owners	-	-	1,185	1,185
Balance as at 30 June 2015	428	3,001	(42)	3,386
Balance as at 1 July 2015	428	3,001	(42)	3,386
Profit for The Period	-	-	(504)	(504)
Other Comprehensive Income	-	2,256	-	2,256
Total Comprehensive Income	-	2,256	(504)	1,752
Transaction with Owners				
Subscription for Shares	-	-	-	-
Distribution to Owners	-	-	(1,633)	(1,633)
Movements arising from carve out	-	-	2,188	2,188
Total Transaction with Owners	-	-	555	555
Balance as at 30 June 2016	428	5,257	8	5,693
Balance as at 1 July 2016	428	5,257	8	5,693
Profit for The Period	-	-	211	211
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	211	211
Transaction with Owners				
Subscription for Shares	-	-	-	-
Distribution to Owners	-	-	-	-
Movements arising from carve out	-	-	3,185	3,185
Total Transaction with Owners	-	-	3,185	3,185
Balance as at 30 April 2017	428	5,257	3,404	9,089

Special Purpose Management Accounts

NZL Group Limited

Statement of Cash Flows

\$000

(unless otherwise indicated)

	12 Months ended 30 June 2015	12 Months ended 30 June 2016	10 Months ended 30 April 2017
Cash flows from operating activities			
Receipts from customers	38,276	41,108	35,177
Payments to suppliers and employees	(41,557)	(40,316)	(32,664)
Interest paid	(528)	(569)	(491)
Income tax paid	435	1,036	(124)
Interest received	-	-	-
Net cash from operating activities	(3,374)	1,259	1,899
Cash flows from investing activities			
Purchase of property, plant and equipment	(1,310)	(1,005)	(5,491)
Proceeds from the sale of property, plant and equipment	-	-	-
Advances to associates	-	-	-
Net cash used in investing activities	(1,310)	(1,005)	(5,491)
Cash flows from financing activities			
Net proceeds from / (repayment of) borrowings	505	2,138	1,399
Advances to/from shareholders (including carve out adjustments)	1,136	(2,641)	1,380
Dividends paid to shareholders	-	(1,633)	-
Movements arising from carve out	1,185	2,188	3,185
Net cash from / (used in) financing activities	2,827	51	5,964
Net increase / (decrease) in cash and cash equivalents	(1,857)	305	2,372
Cash and cash equivalents at the beginning of year	(2,134)	(3,991)	(3,686)
Cash and cash equivalents at end of year	(3,991)	(3,686)	(1,314)

Special Purpose Management Accounts

NZL Group Limited

Notes to and forming part of the Management Accounts
for the 12 month periods ended 30 June 2015, 30 June 2015 and 10 month period ended 30 April 2017

1. Summary of Significant Accounting Policies

The special purpose management accounts presented here are for the entity NZL Group Limited.

NZL Group Limited is a company incorporated under the Companies Act 1993.

This special purpose management accounts have been approved for issue by the Board of Directors on 16 November 2017.

Basis of Preparation

The special purpose management accounts have been prepared using accounting policies that are consistent with the accounting policies of Transport Investments Limited, with the exception NZ IAS 12 Income Taxes as described below.

These financial statements have not been prepared in accordance with GAAP primarily due to the fact that they do not report all of the business of NZL Group Limited or include the full note disclosure required under GAAP.

The preparation of these special purpose management accounts requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas where assumptions and estimates are significant to these management accounts are disclosed in Note 2.

These special purpose management accounts are presented in New Zealand dollars and rounded to the nearest thousand (\$000).

2. Critical Accounting Estimates and Judgements

In preparation of these special purpose management accounts, management have allocated transactions to continuing (being purchased by TIL) and discontinued (not part of the purchase transaction) operations. For the statement of comprehensive income this was completed using the allocation by division in the chart of accounts for NZL in accordance with the table below:

Division	Status
10-10	Discontinued
20-60	Discontinued
30-30	Discontinued
10-71	Discontinued
40-35	Discontinued
60-10	Discontinued
60-30	Discontinued
60-35	Discontinued
10-50	Discontinued
BIO	Discontinued
MTP	Discontinued
50-75	Discontinued
80-84	Continuing
80-85	Continuing
80-89	Continuing
20-10	Continuing
20-30	Continuing
20-55	Continuing
80-81	Continuing
10-70	Continuing

An exception to the above list relates to the charge to the P&L of the loss of disposal of investment (80-81-7070). This account has been classified as a discontinued operation as the business was not acquired.

Special Purpose Management Accounts

NZL Group Limited

Notes to and forming part of the Management Accounts

for the 12 month periods ended 30 June 2015, 30 June 2016 and 10 month period ended 30 April 2017

2. Critical Accounting Estimates and Judgements (continued)

For the statement of financial position this was completed by undertaking the following steps, as the information was not allocated by division and could not be split between continuing and discontinued operations at a trial balance level:

- Present the financial position of the NZL Group as at 30 June 2015, 30 June 2016 and 30 April 2017;
- Categorising the split of the financial statement captions into either continuing or discontinued, using a basis of disaggregation as provided below:

Financial Statement Caption	Basis of disaggregation
Cash and cash equivalents	100% continuing
Trade receivables	Split based on Revenues
Other receivables and prepayments	Split based on Revenues
Inventories	100% continuing
Current tax asset	100% continuing
Amounts due from related parties	100% continuing
Property, plant and equipment	Split based on Depreciation expense
Intangible assets	Split based on Depreciation expense
Investment in equity accounted investees	100% discontinued
Bank overdraft	100% continuing
Trade payables	Split based on direct costs and operating expenses
Other payables and accrued expenses	Split based on direct costs and operating expenses
Employee benefits	Split based on salary and wages expense
Amounts due to related parties	100% continuing
Interest bearing loans and borrowings	Split based on Total assets
Deferred tax liability	100% continuing
Contributed equity	100% continuing
Reserves	100% continuing
Retained Earnings	Accumulation of split of profit and loss
Current Yr (profit)/loss	Split of profit and loss

Differences between the equity movements resulting from the pro forma figures calculated as referred to above and the normalised balance sheet information have been treated as distribution to or receipts from the discontinued business.

The tax expense presented in the Statement of Financial Performance has been calculated as 28% of the net profit before tax. Due to the fact that tax calculations have not been prepared for the continuing operations of NZL, and the fact that an estimate only of the accounting balance sheet is available, it was not considered feasible to prepare a normalised tax calculation for the periods under review.

The Directors believe that the financial results and balances reported as a result of the accounting policies adopted and the critical estimates and judgements referred to above are not materially different from financial results and balances calculated in accordance with GAAP accounting policies.

Change in Accounting Policies

There have been no material changes in accounting policies. All policies have been applied on bases consistent with those used in prior periods by Transport Investments Limited.



Compilation Report

Report to the Directors of TIL Logistics Limited

Scope

On the basis of the information you provided we have compiled, in accordance with Service Engagement Standard Number Two: Compilation of Financial Information, the special purpose management accounts of NZL Group Limited for the 12 month period ended 30 June 2015, 30 June 2016 and 10 month period ended 30 April 2017. This has been prepared in accordance with accounting policies outlined in the basis of preparation.

Responsibilities

You are solely responsible for the information contained in the special purpose management accounts and have determined that the accounting policies applied are appropriate to meet your needs and for the purpose that the special purpose management accounts are prepared.

The special purpose management accounts are prepared solely for your benefit. We do not accept responsibility to any other person for the contents of the special purpose management accounts.

Disclaimer of liability

We have compiled the special purpose management accounts of NZL Group Limited for the 12 month period ended 30 June 2015, 30 June 2016 and 10 month period ended 30 April 2017 in accordance with the limited procedures agreed in our letter of engagement dated 12 May 2017.

Our procedures use accounting expertise to undertake the compilation of the special purpose management accounts from information provided by you. The compilation is limited primarily to the collecting, classifying and summarisation of financial information supplied by you. Our procedures do not involve verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed. We have not attempted to verify the accuracy or completeness of the information and therefore neither we nor any of our employees or agents accept any responsibility for the accuracy of the information from which the special purpose management accounts have been prepared.

This special purpose management accounts have been prepared at your request of and for your purposes only and neither we nor any of our employees or agents accept any responsibility on any ground whatsoever, including liability in negligence, to any other person.

A handwritten signature in blue ink that reads 'KPMG,'.

KPMG - Auckland

Dated 16 November 2017