

Southern Fleet Leasing Limited
Financial Statements
For the Year Ended 31st March 2017

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Southern Fleet Leasing Limited

Company Directory

As at 31st March 2017

Date of Incorporation

24 March 2015

Company Number

5644471

IRD Number

116-436-388

Business Location

15 Sir James Wattie Drive
Hornby, Christchurch

Registered Office

4th Floor, 123 Victoria Street, Christchurch

Nature of Business

Truck Leasing

Share Capital

10,000 Ordinary Shares

Shareholders

Brendan Prendergast Family Trust	4999
Joanne Prendergast Family Trust	4999
Brendan Prendergast	1
Joanne Prendergast	1
	<u>1</u>
	<u>10000</u>

Directors

Brendan Gerard Prendergast

Chartered Accountants

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

Solicitor

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

Bankers

John Meates
ANZ
Christchurch
0800 269 296

Southern Fleet Leasing Limited

Annual Report

For the Year Ended 31st March 2017

Financial Statements

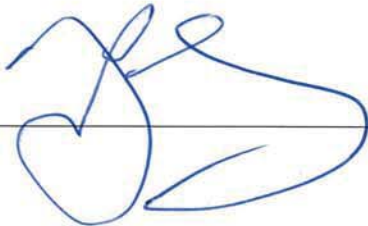
The board of directors present the approved annual report including the historical financial statements of the Company for the year ended 31st March 2017.

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



25th May 2017

Southern Fleet Leasing Limited
Statement of Financial Performance
For the Year Ended 31st March 2017



	Note	2017 \$	2016 \$
INCOME			
Lease Income		2,428,145	2,201,808
Interest Received		-	78
Total Income		<u>2,428,145</u>	<u>2,201,886</u>
EXPENDITURE			
Accountancy Fees		5,126	2,560
Bank Charges		412	7,314
Computer Expenses		313	256
Legal Expenses		-	1,643
Total Expenses		<u>5,850</u>	<u>11,773</u>
Net Surplus Before Depreciation		2,422,295	2,190,113
Less Depreciation Adjustments			
Depreciation as per Schedule		1,635,864	1,642,213
Depreciation - Loss on Sale		69,758	42,134
Depreciation Recovered		<u>(12,000)</u>	<u>-</u>
Net Depreciation Adjustment		<u>1,693,621</u>	<u>1,684,347</u>
NET SURPLUS BEFORE INTEREST & TAXATION		728,673	505,766
LESS			
Interest - Loans		373,023	380,227
Interest - IRD		<u>4,152</u>	<u>-</u>
Total Interest		<u>377,175</u>	<u>380,227</u>
NET SURPLUS BEFORE TAXATION		351,498	125,539
LESS			
Income Tax Expense		<u>156,522</u>	<u>126,137</u>
NET SURPLUS/(DEFICIT) AFTER TAXATION		<u><u>194,977</u></u>	<u><u>(598)</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.

Southern Fleet Leasing Limited
Statement of Movements in Equity
For the Year Ended 31st March 2017



	2017	2016
	\$	\$
EQUITY AT START OF PERIOD	(598)	-
SURPLUS & REVALUATIONS		
Net Surplus/(Deficit) After Tax	194,977	(598)
TOTAL RECOGNISED REVENUES & EXPENSES	194,977	(598)
Share Capital	100	-
EQUITY AT END OF PERIOD	<u>\$194,479</u>	<u>(\$598)</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.

Southern Fleet Leasing Limited
Statement of Financial Position
As at 31st March 2017



	Note	2017 \$	2016 \$
CURRENT LIABILITIES			
GST Due for Payment		30,331	-
Taxation		41,461	126,137
Accounts Payable		-	222,594
Term Loans - Current Portion	8	1,491,569	1,453,584
Move Logistics Limited		1,813,838	1,532,371
TOTAL CURRENT LIABILITIES		3,377,199	3,334,686
NON-CURRENT LIABILITIES			
UDC Assetlink Loan	8	3,582,068	5,291,477
SHAREHOLDERS' EQUITY			
Share Capital		100	-
Retained Earnings		194,379	(598)
TOTAL SHAREHOLDERS' EQUITY		194,479	(598)
		<u>\$7,153,746</u>	<u>\$8,625,565</u>

Director 

25th May 2017

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		161,804	155,662
GST Refund Due		-	28,107
Accounts Receivable	1(a)	27,500	19,550
Accounts Receivable - Related Parties	1(a)	<u>232,537</u>	<u>234,461</u>
TOTAL CURRENT ASSETS		421,841	437,780
NON-CURRENT ASSETS			
Motor Vehicles	2	5,645,444	7,198,753
Plant & Machinery	2	<u>1,086,461</u>	<u>989,033</u>
TOTAL NON-CURRENT ASSETS		6,731,906	8,187,785
		<u>\$7,153,747</u>	<u>\$8,625,565</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.

Southern Fleet Leasing 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 Southern Fleet Leasing Limited ('the company'). They have been prepared in accordance with the Financial Reporting Act 2013. Southern Fleet Leasing Limited is a company incorporated in New Zealand registered under the Companies Act 1993. Southern Fleet Leasing Limited is engaged in the business of Truck Leasing.

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

The financial statements of Southern Fleet Leasing 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 Southern Fleet Leasing 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 20.00% DV

Motor Vehicles 8.00% to 33.33% DV or over 2 to 20 years SL

(c) GOODS AND SERVICES TAX

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

(d) 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.

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

Southern Fleet Leasing Limited

Notes to the Accounts

For the Year Ended 31st March 2017

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. PROPERTY, PLANT & EQUIPMENT

Motor Vehicles

Opening Balance Cost	12,298,251
Net Asset Movement	(148,489)
Less Accumulated Depreciation	<u>(6,504,317)</u>
Closing Book Value	5,645,444

Plant & Machinery

Opening Balance Cost	1,285,004
Net Asset Movement	191,543
Less Accumulated Depreciation	<u>(390,085)</u>
Closing Book Value	1,086,461

3. CAPITAL COMMITMENTS

Southern Fleet Leasing Limited has no capital commitments as at 31st March 2017 (31st March 2016: Nil).

4. CONTINGENT LIABILITIES

Southern Fleet Leasing Limited has no contingent liabilities as at 31st March 2017 (31st March 2016: Nil).

5. IMPUTATION CREDIT ACCOUNT

The balance of Southern Fleet Leasing Limited's Imputation Credit Account as at 31st March 2017 was \$241,197 (31st March 2016: \$nil).

6. RELATED PARTY TRANSACTIONS

Brendan Prendergast is a shareholder and director of both Southern Fleet Leasing Ltd and MOVE Logistics Ltd. Jo Prendergast is a shareholder of both Southern Fleet Leasing Ltd and MOVE Logistics Ltd. Throughout the year these entities have had the following transactions:

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

- Southern Fleet Leasing Ltd advanced funds from and repaid funds to MOVE Logistics Ltd. As at 31 March 2017 Southern Fleet Leasing Ltd owed MOVE Logistics Ltd \$1,813,838 (2016: \$1,532,371). Interest has not been charged on the intercompany advance because the companies have 100% common shareholding.

Southern Fleet Leasing Limited

Notes to the Accounts

For the Year Ended 31st March 2017

7. 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	351,498
Add Depreciation for Accounting Purposes	<u>1,693,621</u>
	2,045,120
Less Depreciation for Taxation Purposes	(1,486,114)
Net Surplus for Taxation Purposes	<u><u>\$559,006</u></u>

Provision for Taxation as follows:

Income Tax on above @ 28c	156,522
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8. TERM LIABILITIES

UDC Assetlink Loan of \$5,051,548 is secured by a general security interest, with an approximate total current interest rate of 5.70% p.a. on the different loans. There is \$1,491,569 principal due within the twelve months after balance date.

Southern Fleet Leasing 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 Southern Fleet Leasing 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