

Special Purpose Management Accounts

Southern Fleet Leasing Limited

Statement of Financial Performance

\$000 (unless otherwise indicated)	3 Months for April, May and June 2015	3 Months for April, May and June 2016	2 Months for April, May 2017
Revenue	517	608	404
Expenses	1	3	4
EBITDA	516	605	400
Depreciation	417	448	239
Amortisation	-	-	-
Net Finance Costs	97	95	25
Operating Surplus Before Income Tax	2	62	136
Share of Profit of Associates	-	-	-
Loss on Revaluation of Property	-	-	-
Profit Before Income Tax	2	62	136
Income Tax	-	17	38
Profit for the Year	2	45	98
Gain on Revaluation of Property	-	-	-
Total Other Comprehensive Income	-	-	-
Total Comprehensive Income	2	45	98

Financial information compiled by Hayes Knight

Special Purpose Management Accounts

Southern Fleet Leasing Limited

Statement of Financial Position

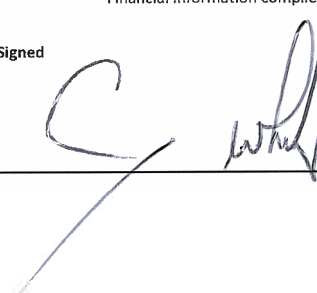
\$000

(unless otherwise indicated)

	30 June 2015	30 June 2016	31 May 2017
Cash and Cash Equivalents	213	157	150
Trade and Other Receivables	180	244	233
Total Current Assets	393	401	383
Property, Plant and Equipment	7,435	7,877	6,705
Intangible Assets	-	-	-
Deferred tax assets	23	96	156
Other Non Current Assets	-	-	-
Total Non Current Assets	7,458	7,973	6,861
Total Assets	7,851	8,375	7,244
Trade and Other Payables	2,306	1,947	2,381
Shareholder advances	-	-	-
Borrowings	-	-	-
Total Current Liabilities	2,306	1,947	2,381
Borrowings	5,543	6,293	4,415
Total Non Current Liabilities	5,543	6,293	4,415
Total Liabilities	7,849	8,240	6,796
Net Assets	2	135	448
Equity			
Share Capital	-	-	-
Reserves	-	-	-
Retained Earnings	2	135	448
Total Equity	2	135	448

Financial information compiled by Hayes Knight

Signed



Date:

16.11.17

Special Purpose Management Accounts

Southern Fleet Leasing Limited

Statement of Changes in Equity

\$000

(unless otherwise indicated)

	Share Capital	Reserves	Retained Earnings	Total Equity
Balance as at 31 March 2016 (per Statutory Financial Statements)	-	-	(1)	(1)
Add Deferred tax asset not recorded in Financial statements			91	91
			90	90
Profit for The Period	-	-	45	45
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	45	45
Transaction with Owners				
Total Transaction with Owners	-	-	-	-
Balance as at 30 June 2016	-	-	135	135
Balance as at 31 March 2017 (per Statutory Financial Statements)	-	-	194	194
Add Deferred tax asset not recorded in Financial statements			156	156
			350	350
Profit for The Period	-	-	98	98
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	98	98
Transaction with Owners				
Total Transaction with Owners	-	-	-	-
Balance as at 31 May 2017	-	-	448	448

Financial information compiled by Hayes Knight

Special Purpose Management Accounts

Southern Fleet Leasing Limited

Statement of Cash Flows

\$000 (unless otherwise indicated)	3 Months for April, May and June 2015	3 Months for April, May and June 2016	2 Months for April and May 2017
Cash flows from operating activities			
Receipts from customers	-	343	618
Interest received			432
Payments to suppliers and employees	-	(7)	(3)
Interest paid	-	(97)	(95)
Income tax paid	-	-	(127)
Net cash from operating activities	-	239	393
Cash flows from investing activities			
Purchase of property, plant and equipment	-	(5,569)	(85)
Proceeds from the sale of property, plant and equipment	-	-	-
Advances to associates	-	-	146
Net cash used in investing activities	-	(5,569)	61
Cash flows from financing activities			
Net proceeds from / (repayment of) borrowings	-	5,543	(453)
Advances to/from shareholders	-	-	-
Dividends paid to shareholders	-	-	-
Net cash from / (used in) financing activities	-	5,543	(453)
Net increase / (decrease) in cash and cash equivalents	-	213	1
Cash and cash equivalents at the beginning of year	-	-	156
Cash and cash equivalents at end of year	-	213	157

Financial information compiled by Hayes Knight

Special Purpose Management Accounts

Southern Fleet Leasing Limited

Notes to and forming part of the Management Financial Statements
for the three month periods ended 30 June 2014, 30 June 2015, 30 June 2016 and
two month period ended 31 May 2017

1. Summary of Significant Accounting Policies

The management financial statements presented here are for the entity Southern Fleet Leasing Limited.

Southern Fleet Leasing Limited is a company incorporated under the Companies Act 1993.

This special purpose financial report has been approved for issue by the Board of Directors on 16 November 2017.

Basis of Preparation

These are special purpose management financial statements prepared at the request of the company's directors.

The accounting policies adopted in the preparation of these special purpose management financial statements are consistent with those followed in the March 2017 Annual Financial Statements for Southern Fleet Leasing Limited, with the exception of those policies outlined below under 'specific accounting policies'.

The March 2017 Annual Financial Statements for Southern Fleet Leasing Limited were not prepared in accordance with generally accepted accounting practice (GAAP), and accordingly these special purpose management financial statements have also not been prepared in accordance with GAAP. After the amendments to policies referred to be the Specific Accounting Policies below the Directors believe that the accounting policies adopted are not materially different from GAAP.

These financial statements have not been prepared in accordance with GAAP primarily due to the fact that they do not report the results of a full financial year or include the full note disclosure required under GAAP.

The preparation of these management financial statements 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 financial statements are disclosed in Note 2.

These financial statements are presented in New Zealand dollars and rounded to the nearest thousand (\$000).

Specific Accounting Policies

The following policies represent a departure from the accounting policies followed in the March 2017 Annual Financial Statements:

These departures from the 2017 accounting policies have been made as the Directors believe that these policies are the only material differences from GAAP policies.

(a) Deferred Income Tax

Deferred income tax is provided for in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements based on the applicable income tax rate.

Deferred income tax assets and liabilities were not recognised in the historical Annual Financial Statements.

2. Critical Accounting Estimates and Judgements

In calculating the tax expense for the current period, the company has treated certain expenditures as being deductible for tax purposes. The company has used a tax rate of 28% being the corporate tax rate in New Zealand.

Other than relating to the timing of lease incentive income, no material movement between the tax bases of assets and liabilities and their carrying values in the financial statements is understood to have occurred during each of the reporting periods. The deferred tax liability movement relating to the lease incentive income has been estimated based on the historical monthly trend.

3. Changes in Accounting Policies

There have been no material changes in accounting policies other than those detailed in Note 1. All policies, other than those detailed in Note 1, have been applied on bases consistent with those used in prior periods by Southern Fleet Leasing Limited.

4. Disposal of Motor Vehicles

On 31 March 2015 Southern Fleet Leasing Limited acquired a fleet of vehicles from Move Logistics Limited, an entity also being acquired by TIL Logistics Limited. The Fleet was sold at valuation, being \$7,673,149 with payment being made in May 2015. As payment was made by way of Southern Fleet Leasing Limited assuming liabilities of Southern Fleet Leasing Limited, this transaction is not reflected in the Statement of Cash Flows to 30 June 2015.



Special Purpose Management Accounts

Southern Fleet Leasing 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 Southern Fleet Leasing Limited for the 2 month period ended 31 May 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 Southern Fleet Leasing Limited for the 2 month period ended 31 May 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,' with a comma at the end. The signature is written in a cursive, stylized font.

KPMG - Auckland

Dated: 16 November 2017