

P2P Transport Aggregated Group

Special Purpose Financial Information
Year Ended 30 June 2017

Combining:

TaxiLink Pty Limited

Unicross Pty Limited

TGT No. 1 Pty Limited

A&S Sidhu Investment Pty Limited

Taxi Management Solutions Pty Limited

Temptrans Pty Limited

Cabcare Pty Limited

D'Lee Pty Limited

Special Purpose Financial Information
Year Ended 30 June 2017

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Profit or Loss Information
For The Financial Year Ended 30 June 2017

	Note	2017 \$'000	2016 \$'000	2015 \$'000
Revenue	5	13,670	13,617	12,339
Other income	5	1,271	1,356	1,046
Vehicle operating costs		(10,195)	(10,656)	(10,394)
Administrative expenses		(2,144)	(1,687)	(1,488)
Impairment of receivables		(200)	-	-
Depreciation and amortisation expense	6	(1,137)	(1,711)	(1,072)
Interest expense		246	295	228
Director's fees		(490)	(347)	(503)
<i>Profit/(loss) before income tax</i>		529	277	(327)
Income tax (expense)/benefit	7	(208)	(74)	134
<i>Profit/(loss) for the year</i>		321	203	(193)

Notes to the financial information are included on pages 6 to 19.

Net Asset Information
As At 30 June 2017

	Note	2017 \$'000	2016 \$'000	2015 \$'000
Current assets				
Cash and cash equivalents	8	62	200	248
Trade and other receivables	9	1,407	1,902	1,027
Other	10	125	125	96
Total current assets		1,594	2,227	1,371
Non-current assets				
Receivables from related parties		-	707	1,642
Plant and equipment	11	4,558	2,226	1,953
Investment in associate	12	100	-	-
Intangible assets		6	7	9
Deferred tax assets	7	253	321	331
Total non-current assets		4,917	3,261	3,935
Total assets		6,511	5,488	5,306
Current liabilities				
Trade and other payables	13	1,759	1,557	955
Payables to related parties		434	1,823	1,028
Borrowings	14	887	1,352	1,236
Tax liabilities	7	289	74	171
Provisions	15	89	56	36
Total current liabilities		3,458	4,862	3,426
Non-current liabilities				
Provisions	15	14	7	18
Borrowings	14	658	749	979
Deferred tax liabilities	7	847	-	-
Total non-current liabilities		1,519	756	997
Total liabilities		4,977	5,618	4,423
Net assets		1,534	(130)	883

Notes to the financial information are included on pages 6 to 19.

P2P Transport Aggregated Group

Cash Flow Information For The Financial Year Ended 30 June 2017

	Note	2017 \$'000	2016 \$'000	2015 \$'000
Cash flows from operating activities				
Receipts from customers		16,436	15,460	13,737
Payments to suppliers and employees		(13,296)	(13,119)	(12,822)
Interest paid		(246)	(295)	(228)
Interest received	5	-	-	-
Income taxes paid		325	(160)	(249)
Net cash provided by operating activities		<u>3,219</u>	<u>1,886</u>	<u>438</u>
Cash flows from investing activities				
Payment for plant and equipment	11	(1,478)	(1,983)	(1,754)
Proceeds from disposal of plant & equipment		-	-	94
Payment for investment in associate		(100)	-	-
Net cash used in investing activities		<u>(1,578)</u>	<u>(1,983)</u>	<u>(1,660)</u>
Cash flows from financing activities				
Proceeds from (repayment of) borrowings		(556)	(115)	788
Loan from (repayments to) related parties		(1,221)	661	915
Net cash (used in) / provided by financing activities		<u>(1,777)</u>	<u>546</u>	<u>1,703</u>
Net (decrease) / increase in cash and cash equivalents		(137)	448	481
Cash and cash equivalents at beginning of year		<u>200</u>	<u>248</u>	<u>(233)</u>
Cash and cash equivalents at the end of the year		<u><u>63</u></u>	<u><u>200</u></u>	<u><u>248</u></u>

Notes to the financial information are included on pages 6 to 19.

P2P Transport Aggregated Group

1. General information

This Pro forma Aggregated Financial Information (Financial Information) covers the P2P Transport Aggregated Group ("the Group"), which is made up of an aggregation of the entities detailed in Note 17.

The Group is seeking admission to the Australian Securities Exchange (ASX) through an initial public offering (IPO) in or around November 2017. P2P Transport listed group ("IPO Group") has been created through the formation of a new company, P2P Transport Limited, that will become the ultimate parent of the Group and the listing company. The financial information in this report aggregates all of the operating entities which will form part of the proposed IPO Group. It has been prepared solely for lodgment with the ASX for the purpose of the proposed IPO.

The Group's principal activities are the provision of vehicles on a rental basis to independent professional drivers operating in the point-to-point passenger transport industry.

2. Summary of significant accounting policies

2.1 Basis of preparation

The Financial Information has been prepared in accordance with the recognition and measurement criteria of Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and with the disclosure requirements of Australian Accounting Standards - Reduced Disclosure Requirements, except the requirements of the Australian Accounting Standards listed below:

- AASB 10 'Consolidated Financial Statements' - This Financial Information comprises aggregated financial information and does not constitute consolidated financial information as required by AASB 10 'Consolidated Financial Statements'.
- AASB 101 'Presentation of Financial Statements' – A statement of changes in equity has not been presented in this Financial Information as for the years prior to 30 June 2017 there is no common ownership of the entities which make up the Group.
- AASB 124 'Related Party Disclosure' - Related party disclosures have not been presented in this Financial Information.
- AASB 3 'Business Combinations' - The Financial Information has been prepared on an aggregation basis and has not applied to principles of AASB 3.

The Financial Information has been prepared under the historical cost convention. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

Functional and presentation currency

The functional and presentation currency of the Group is the Australian Dollar, and all amounts are presented in Australian dollars.

2.2 Principles of aggregation

As explained above, the Financial Information is aggregated financial information and not consolidated financial information as required by AASB 10 "Consolidated Financial information". For years prior to 30 June 2017, there is no basis for the preparation of consolidated financial information as there is no common ownership of all the entities which make up the Group. The aggregated financial information incorporates the assets and liabilities of all entities of the "P2P Transport Aggregated Group" as at 30 June 2017, 2016 and 2015, and the results of these entities for the year then ended. Throughout this financial information the term "the Group" refers to the aggregation of the entities detailed in Note 17. All entities have a 30 June financial year end and are domiciled and operate in Australia.

In preparing the aggregated financial information, the following transactions and balances have been eliminated:

- All balances between entities within the aggregated group, including any unrealised profits or losses.

P2P Transport Aggregated Group

2. Summary of significant accounting policies (continued)

2.2 *Principles of aggregation (continued)*

- All transactions between entities in the aggregated group

As a consequence of the financial information being prepared on an aggregated basis, the equity balances, specifically; issued capital, retained earnings and reserves have not been presented in this special purpose report.

All entities within the Aggregated Group have been included since they commenced operation.

The aggregated group differs from a consolidated entity in that there is no single parent entity in the aggregated group.

2.3 *Business combinations*

The aggregated group has not accounted for the acquisition of any businesses during the periods as business combination.

2.4 *Revenue recognition*

Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

(i) *Fleet revenue*

Fleet revenue is generated by allowing drivers to use the Group's fleet. The agreed fee, which can be fixed or revenue share depending on the market and the vehicle driver's preference, is paid by vehicle driver to the fleet operator based upon the period of time the vehicle is made available to the driver. Revenue is recognised over the period over which the vehicle has been provided to the driver.

(ii) *Service revenue (mechanical/panel)*

Service revenue is generated for work performed on non-company vehicles. Service revenue is recognised based upon the percentage completion of the work requested, measured by reference to labour hours incurred to date as a percentage of estimated total labour hours.

(iii) *Accident recovery revenue*

In the event of P2P Transport vehicles being involved in an accident, the cost of repairs are recovered from the "at fault party" or the insurer, as appropriate. Revenue is recognized when the amount recoverable can be reliably estimated.

(iv) *Interest and other revenue*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue is recognised when it is received or when the right to receive payment is established.

P2P Transport Aggregated Group

2. Summary of significant accounting policies (continued)

2.5 *Finance costs*

Borrowing costs are recognised as expenses in the period in which they are incurred using the effective interest rate method. Borrowing costs include:

- interest on bank overdrafts, short and long-term borrowings;
- interest on finance lease liabilities; and
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

2.6 *Leasing*

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

2.7 *Taxes*

i) Income tax

Each entity in the Group accounts for its income tax on a stand-alone basis. The income tax expense or revenue for the period is the aggregated tax payable of each entity in the Group on the current period's taxable income based on the notional income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial information, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

P2P Transport Aggregated Group

2. Summary of significant Accounting Policies (continued)

(ii) *Goods and services tax ("GST")*

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or is part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

2.8 *Short-term and long-term employee entitlements*

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave in the period the related service is rendered.

Liabilities recognised in respect of short-term employee entitlements, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee entitlements are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

2.9 *Cash and cash equivalents*

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

2.10 *Receivables*

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition and collectability is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

An allowance for doubtful debts is raised where events have occurred that indicate there is uncertainty as to collectability of the debt. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in profit or loss.

2.11 *Plant and equipment*

(i) *Plant and Equipment*

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

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2. Summary of significant Accounting Policies (continued)

2.11 Plant and Equipment (continued)

Plant and equipment is measured initially at cost. Cost includes all directly attributable expenditure incurred including costs to get the asset ready for its use as intended by management and if applicable, cost includes an estimate of any expenditure expected to be incurred at the end of the asset's useful life.

The following useful lives are used in the calculation of depreciation:

Plant and equipment	3 – 15 years
Furniture and fittings	3 – 15 years
Motor Vehicles	8 years
Leasehold improvements	Lease period

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Motor vehicles, are stated in the statement of net assets Information at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such motor vehicles is recognised in other comprehensive income and accumulated within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such motor vehicles is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

(ii) Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line or diminishing value basis over their useful lives (commencing from the time the asset is ready for use). Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciable amount is the carrying value of the asset less estimated residual amounts. The residual amount is based on what a similar asset of the expected condition of the asset at the end of its useful life could be sold for.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Depreciation on revalued motor vehicles is recognised in profit or loss. On the subsequent sale or retirement of a revalued motor vehicles, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

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2.0 Significant accounting policies (continued)

2.12 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. They are recognised initially at the fair value of what is expected to be paid, and subsequently at amortised cost, using the effective interest rate method.

2.13 Borrowings

Borrowings are initially recognised at fair value net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

2.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate taking into account the risks and uncertainties surrounding the obligation.

2.15 Rounding of amounts

Where stated, amounts in the financial information have been rounded off to the nearest thousand dollars.

2.16 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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2.0 Significant accounting policies (continued)

2.16 Impairment of tangible and intangible assets other than goodwill continued

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3. Application of new and revised Accounting Standards

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. At the date of authorisation of the pro forma aggregated financial information, the Standards and Interpretations that were issued but not yet effective are listed below.

AASB 9 'Financial Instruments', and the relevant amending standards (Effective for annual reporting periods beginning on or after 1 January 2018)

The Group is expected to adopt these standards from 1 July 2018.

AASB 15 'Revenue from Contracts with Customers', , and

AASB 9 "Financial Instruments"

The Group is expected to adopt these standards from 1 July 2018.

AASB 16 Leases effective for annual reporting periods beginning on or after 1 January 2019.

The Group is expected to adopt this standard from 1 July 2019.

Management is currently assessing the effects of applying the new accounting standard on the group's financial information and at this stage there is no expected material impact for the adoption of AASB 15 and AASB 9 anticipated, however for the adoption of AASB 16 the impact is expected to materially 'gross-up' the Group's Aggregated Statement of Net Assets impacting key financial ratios.

Management is performing a detailed assessment of these new standards which will be disclosed in due course.

4. Critical Accounting Estimates and Judgments

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

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4. Critical Accounting Estimates and Judgments continued

The Group makes estimates, assumptions and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

- (i) **Revaluation of plant and equipment**
Valuation of plant and equipment with a carrying value of \$4,557 is subject to estimation by Directors of the fair value attributable to vehicles within the taxi fleet. During the year the Directors revalued the fleet of taxi vehicles based upon estimated values for each vehicle based upon its age and the make of the vehicle.
- (ii) **Useful lives of plant and equipment**
As described in 2.11 above, the group reviews the useful lives of plant and equipment at the end of each reporting period. During the current year the Directors determined that the useful life of vehicles be extended to take into account the expected useful life of the vehicles and changes to regulations relating to the maximum age of taxi car vehicles. The financial effect of this reassessment, assuming the assets are held until the end of their estimated useful lives, is to reduce the depreciation expense in the current financial year and remaining years in which these assets are held.
- (iii) **Vehicle Accident Receivables and Payables**
The group establishes amounts arising as income from and amounts receivable from vehicles accidents where the driver of the company's vehicle was "not at fault". Income is recognized at the date of the accident with the amount recognized in income estimated based upon the history of not at fault vehicle accidents. The amount recognized as accidents receivable at each reporting period is estimated using the known amount of open vehicle accidents and the likely financial outcome of not at fault vehicle accidents.

The group also estimates amounts incurred as expenses and amounts payable from the vehicles accidents where the driver of the company was "at fault". Expenses are recognized at the date of the accident with the amount recognized as an expense estimated based upon the history of at fault vehicle accidents. The amount recognized as accident payables at each reporting period is estimated using the known amount of open vehicle accidents and the likely financial outcome of at fault vehicle accidents.

	2017 \$'000	2016 \$'000	2015 \$'000
5. Revenue and Income			
(a) Revenue			
Fleet revenue	12,897	13,074	11,890
Services revenue	772	448	349
Other revenue	1	95	100
	<u>13,670</u>	<u>13,617</u>	<u>12,339</u>
(b) Other income			
Insurance recoveries	1,095	1,238	670
Other	176	118	376
	<u>1,271</u>	<u>1,356</u>	<u>1,046</u>
Total revenue and income	<u>14,942</u>	<u>14,973</u>	<u>13,384</u>

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6. Expenses

Profit before income tax includes the following specific expenses:

Depreciation	1,135	1,709	1,071
Amortisation on leasehold improvements	2	2	1
	<u>1,137</u>	<u>1,711</u>	<u>1,072</u>
Contribution to defined contribution plans	106	84	96
Interest and finance charges paid/payable	<u>246</u>	<u>295</u>	<u>228</u>
Net loss/(gain) on disposal of property, plant and equipment	<u>24</u>	<u>-</u>	<u>(39)</u>

7. Income Tax

(a) Income tax expense/(benefit)

Current tax	134	64	35
Deferred tax	<u>74</u>	<u>10</u>	<u>(169)</u>
<i>Total income tax expense/(benefit) recognised in the current year</i>	<u>208</u>	<u>74</u>	<u>(134)</u>

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Profit/(loss) before income tax expense	<u>529</u>	<u>277</u>	<u>(327)</u>
Tax at the Australian tax rate of 30% (2016 and 2015 - 30%)	158	83	(98)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income			
Non-allowable expenses	2	1	1
Sundry items	48	(10)	(37)
Tax losses utilised	<u>-</u>	<u>-</u>	<u>-</u>
	<u>208</u>	<u>74</u>	<u>(134)</u>

(c) Tax assets and liabilities

CURRENT LIABILITIES

Income tax payable	<u>289</u>	<u>74</u>	<u>171</u>
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NON-CURRENT ASSETS

Deferred tax asset	<u>253</u>	<u>321</u>	<u>331</u>
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Deferred tax assets comprises the following:

Employee entitlements	31	19	16
Other accrued liabilities	<u>222</u>	<u>302</u>	<u>315</u>
	<u>253</u>	<u>321</u>	<u>331</u>

Deferred tax liabilities comprises the following:

Motor vehicles revaluation	<u>847</u>	<u>-</u>	<u>-</u>
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P2P Transport Aggregated Group

8. Cash and cash equivalents

Cash on hand	62	200	248
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9. Trade and other receivables

CURRENT

Trade debtors	221	220	-
Accident Receivables	1,185	1,356	775
Other debtors	201	326	252
Allowance for doubtful debts	(200)	-	-
	<u>1,407</u>	<u>1,902</u>	<u>1,027</u>

(a) The ageing of trade receivables at 30 June 2016 is detailed below:

	2017		2016		2015	
	Gross \$'000	Allowance \$'000	Gross \$'000	Allowance \$'000	Gross \$'000	Allowance \$'000
Not past due	-	-	-	-	-	-
Past due 0-30 days	221	-	220	-	-	-
Past due 31 days plus	-	-	-	-	-	-
Total	<u>221</u>	<u>-</u>	<u>220</u>	<u>-</u>	<u>-</u>	<u>-</u>

Drivers are usually expected to settle amounts due to the Aggregated Group at the end of each shift. When the driver does not settle the amount in full, a receivable arises and is considered immediately past due as the Aggregated Group doesn't provide credit the drivers. No interest is charged on the trade receivables from the date of invoice or when past due. The Group's provision policy is based on an assessment of changes in credit quality and historical experience.

Included in the Group's trade receivables balance are debtors with a carrying amount of \$221 (2016: \$220 and 2015: Nil\$) which are past due at the reporting date. The Aggregated Group have not provided for these balances as there has not been any specifically identified factors that would indicate a deterioration of credit quality. The Aggregated Group therefore still considers the amounts recoverable. The Group does not hold any collateral over these balances. The average age of these receivables is 30 days (2016: 30 days and 2015: 30 days).

	2017 \$'000	2016 \$'000	2015 \$'000
(b) Movement in provision for doubtful receivables			
Opening balance	-	-	-
Additional provisions	200	-	-
Amounts written off during the year	-	-	-
Closing balance	<u>200</u>	<u>-</u>	<u>-</u>

In determining the recoverability of a trade receivable the Aggregated Group considers any deterioration in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large, diverse and unrelated. Accordingly, the Directors believe that there is no further allowance required in excess of the allowance for doubtful debts.

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	2017 \$'000	2016 \$'000	2015 \$'000
10. Other current assets			
Deposits	125	125	96
11. Plant and equipment			
Plant and equipment at cost	552	547	316
Less: accumulated depreciation	(381)	(347)	(187)
	171	200	129
Leasehold improvements	91	91	91
Less: accumulated amortisation	(16)	(14)	(12)
	75	77	79
Taxi assets (a)	4,772	5,723	3,849
Less: accumulated depreciation	(460)	(3,774)	(2,104)
	4,312	1,949	1,745
	4,558	2,226	1,953

(a) Non-current assets pledged as security

Refer to Note 14 for information on non-current assets pledged as security by the Group.

(b) Reconciliations

Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the year is set out below:

	Taxi Assets \$'000	Leasehold improvements \$'000	Property Plant Equipment \$'000	Total \$'000
2017				
Carrying amount at the start of the year	1,949	77	200	2,226
Additions	1,473	0	5	1,478
Disposals/transfers	0	0	0	0
Revaluation	1,991	0	0	1,991
Depreciation/amortisation	(1,101)	(2)	(34)	(1,137)
Carrying amount at end of year	4,312	75	171	4,558
2016				
Carrying amount at the start of the year	1,745	79	129	1,953
Additions	1,874	0	109	1,983
Disposals/transfers	0	0	0	0
Depreciation/amortisation	(1,670)	(2)	(38)	(1,710)
Carrying amount at end of year	1,949	77	200	2,226
2015				
Carrying amount at the start of the year	1,080	81	164	1,325
Additions	1,752	0	2	1,754
Disposals/transfers	(52)	0	(2)	(54)
Depreciation/amortisation	(1,035)	(2)	(35)	(1,072)
Carrying amount at end of year	1,745	79	129	1,953

P2P Transport Aggregated Group

	2017 \$'000	2016 \$'000	2015 \$'000
12. Investments in associates			
MyTaxiManager Pty Limited	100	-	-
13. Trade and other payables			
CURRENT			
<i>Unsecured liabilities</i>			
Trade payables	132	207	135
Accident payables	323	329	357
Other payables	1,304	1,021	463
Total current payables	1,759	1,557	955
14. Borrowings			
CURRENT			
<i>Secured liabilities</i>			
Gross hire purchase liabilities	919	1,471	1,402
Less deferred charges	(32)	(119)	(166)
Net hire purchase liabilities	887	1,352	1,236
NON CURRENT			
<i>Secured liabilities</i>			
Gross hire purchase liabilities	717	791	1065
Less deferred charges	(59)	(42)	(86)
Net hire purchase liabilities	658	749	979
	1,545	2,101	2,215
(a) The borrowings of the Group are secured as follows:			
All borrowings are finance leases or hire purchase contracts and are secured over the underlying vehicles the subject of the borrowings.			
15. Provisions			
CURRENT			
Employee entitlements	89	56	36
NON CURRENT			
Employee entitlements	14	7	18

P2P Transport Aggregated Group

16. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short term nature. Motor vehicles have been fair valued using the observed market selling prices for taxi vehicles of a similar age and make.

17. Aggregated entity details

	Date operation commenced	Equity Holding (a)		
		2017 %	2016 %	2015 %
TaxiLink Pty Limited	1 July 2014	100	100	100
Unicross Pty Limited	1 July 2014	100	100	100
TGT No. 1 Pty Limited	1 July 2014	100	100	100
A&S Sidhu Investment Pty Limited	1 July 2014	100	100	100
Taxi Management Solutions Pty Limited	1 July 2014	100	100	100
Temptrans Pty Limited	1 Jan 2015	100	100	100
Cabcare Pty Limited	15 Aug 2015	100	100	100
D'Lee Pty Limited	15 Aug 2015	100	100	100

18. Remuneration of auditor

Amounts received or due and receivable by Deloitte Touche Tomatsu ("Deloitte") for:

Audit of the financial information of the entities in the Group	450	-	-
Other services in relation to the parent entity and any other entity in the Group	500	-	-
	<u>950</u>	<u>-</u>	<u>-</u>

The above audit fees are for the audit of the aggregated group for the years 2014 to 2017

19. Key management personnel compensation

Short term benefits	<u>490</u>	<u>347</u>	<u>503</u>
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20. Events subsequent to year end

P2P Transport Limited is the entity which owns each of the entities within the aggregated Group.

Subsequent to year end, P2P Transport Limited has undertaken steps to offer investment in the Group through an Initial Public Offering and has acquired the business and operations of BWTM Pty Limited, ABC Bodyworks Pty Limited and Taxis Queensland Pty Limited for cash consideration of \$4.7 million, deferred consideration of \$1.0 million and issued capital of P2P Transport Limited on IPO of \$0.65 million.

In order to finance the acquisitions (and to facilitate the acquisition of additional vehicles), P2P Transport Limited has issued note instruments for proceeds of \$9.8 million, of which, \$4 million will be repaid at completion of the IPO, with the remaining notes redeemed in exchange for issued capital of P2P Transport Pty Limited.

No other matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

P2P Transport Aggregated Group

2017
\$'000

21. Commitments for expenditure

Operating Lease Commitments

Commitments for minimum lease payments in relation to non-cancellable operating leases for premises at 30 June 2017 are payable as follows:

Within one year	890
Later than 1 year but not later than 5 years	3,178
Later than 5 years	1,496
	<u>5,564</u>



P2P Transport Limited

Director's declaration

30 June 2017

In the directors' opinion:

- The attached Pro forma Aggregated Financial Information complies with the basis of accounting outlined in Note 2 to the Pro forma Aggregated Financial Information.
- The attached Pro forma Aggregated Financial information gives a true and fair view of the Aggregated Group's financial position as at 30 June 2017 and its performance for the financial years ended on that date; and
- There are reasonable grounds to believe the Aggregated Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

On behalf of the directors

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke, positioned above the printed name and title.

Tom Varga
Director

22 November 2017

Independent Auditor's Report to the Directors of P2P Transport Limited

Report on the Pro forma Aggregated Financial Information

Opinion

We have audited the accompanying Pro forma Aggregated Financial Information (the "Pro forma Aggregated Financial Information") of P2P Transport Limited (The Company) and its proposed acquisitions as defined in Note 17 (the "Aggregated Group"), which comprises the Pro forma Aggregated Net Asset Information as at 30 June 2017, 30 June 2016 and 30 June 2015, the Pro forma Profit or Loss Information and Pro Forma Cash Flow Information for the years then ended, and the notes to the Pro forma Aggregated Financial Information including a summary of significant accounting policies and a declaration by directors.

In our opinion, the accompanying Pro forma Aggregated Financial Information presents fairly, in all material aspects, the Pro forma Aggregated Net Assets of the Aggregated Group as at 30 June 2017, 30 June 2016 and 30 June 2015 and of its performance and cash flows for the financial years then ended in accordance with the basis of accounting outlined in Note 2 to the Pro forma Aggregated Financial Information.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Pro forma Aggregated Financial Information section of our report. We are independent of the Aggregated Group in accordance the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial information in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to the Pro forma Aggregated Financial Information, which describes the basis of accounting. The Pro forma Aggregated Financial Information has been prepared to assist the Company to meet its financial reporting requirements relating to a proposed initial public offering. As a result, the Pro forma Aggregated Financial Information may not be suitable for another purpose. Our report is intended solely for the directors of the Company and should not be distributed to or used by parties other than the directors. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Pro forma Aggregated Financial Information

The directors of the Company are responsible for the preparation of the Pro forma Aggregated Financial Information that gives a true and fair view in accordance with the basis of accounting outlined in Note 2 to the Pro forma Aggregated Financial Information and for such internal control as the directors determine is necessary to enable the preparation of the Pro forma Aggregated Financial Information that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Pro forma Aggregated Financial Information, the directors are responsible for assessing the ability of the Aggregated Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Aggregated Group or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Aggregated Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Pro forma Aggregated Financial Information

Our objectives are to obtain reasonable assurance about whether the Pro forma Aggregated Financial Information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Pro forma Aggregated Financial Information.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Pro forma Aggregated Financial Information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Aggregated Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Aggregated Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Pro forma Aggregated Financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Aggregated Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial information, including the disclosures, and whether the Pro forma Aggregated Financial Information represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Aggregated Group to express an opinion on the Pro forma Aggregated Financial Information. We are responsible for the direction, supervision and performance of the Aggregated Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



DELOITTE TOUCHE TOHMATSU



Gerard Belleville

Partner

Chartered Accountants

Melbourne, 22 November 2017