ASX Announcement: P2P

31 August 2019

APPENDIX 4E

PREMINLARY FINAL REPORT FOR YEAR ENDED 30 JUNE 2019

P2P Transport Limited (ASX: P2P) (**P2P** or the **Company**) today released its Appendix 4E Preliminary Financial Report for year ended 30 June 2019 (unaudited). The Company will host a conference call on Tuesday 3 September 2019 at 10.30am AEST to discuss the Financial Report. Refer dial-in details at the end of this announcement.

RESULTS

- Proforma revenue of $79.1m – is consistent with prior guidance
- Proforma EBITDA $5.63m – is consistent with prior guidance
- Statutory revenue – $63.6m up 94% on FY18
- Statutory EBITDA $0.8m compared to loss of (-$5.1m) FY18
- Statutory Net Loss after tax is (-$19.8m)
- Cash Flow from operations is $5.75m compared to (-$8.77m) FY18

KEY ITEMS

- The Appendix 4E Preliminary Financial Report for FY19 released today is unaudited. The Financial Reports are in their final stages of audit and an audited Financial Report will be released in late September 2019 in accordance with ASX requirements;

- The Company has assessed profitability and the market value of its assets. This assessment was then compared to the Company's carrying value resulting in asset impairments which are stated in the Appendix 4E. The impairments totalling $8.5m relate to goodwill and the value of Adflow's Digital Taxi Tops (DTT). The company has also provided for an earnout of $3.6m associated with the BWC acquisition;

- The Directors regularly assess the Groups ability to continue as a going concern and the current strategic review is also focusing on ensuring this. All aspects of the business are being scrutinised and a number of initiatives that will strengthen the capital position of P2P have been identified. The Company continues to have a good working relationship with all its financiers and is pleased to report a continuation of our finance facility with Westpac Bank including an agreement that covenant testing will commence once the 31 December 2019 half year audited financial statements are available.

- Whilst the Strategic Review of the P2P Group led by interim CEO Greg Webb continues, there have been operational turnaround achievements already. They relate to headcount reductions, business integration of the Group's accounting and marketing teams, settlement of legal & operational disputes, recruitment of a new CFO in June 2019 and resolution of Adflow DTT technical issues and subsequently completing the DTT rollout.

- What's to come – Finalise the Groups audit and release the Audited Financial Report for FY19 in late September 2019, completion of the Strategic review with its outcomes being announced which will include a balance sheet restructure with improvements to the capital position and debt structure of the Group, continued business integration, strong organic growth leveraging the scale of our national platform and a continued focus to reduce overheads.

BOARD AND MANAGEMENT

Chip Beng Yeoh, a non-executive director of P2P continues as interim Chairman and overseeing the P2P turnaround plan. Chip was appointed to the Board of P2P in 2017. Among other senior executive roles, he was previously CFO of Cabcharge (2007 to 2015) and worked with ComfortDelGro (one of the world's largest land transport companies).

Greg Webb continues as Interim CEO and the stewardship of the P2P turnaround plan. Greg is an executive Director of P2P. Greg was Managing Director and the largest shareholder of the Black & White Cabs Group prior to its acquisition by P2P.

John Dickson was appointed CFO in June 2019.

CONFERENCE CALL DETAILS

A conference call will be Tuesday 3 September 2019 at 10.30am AEST.

Conference ID: 780744

Participant Dial in numbers:

Australia (toll free) 1800 558 698

New Zealand (toll free) 0800 453 055

Singapore (toll free) 800 101 2785

Hong Kong (toll free) 800 966 806

UK (toll free) 0800 051 8245

US (855) 881 1339

Any other country or mobile phone: +61 2 9007 3187.

An RSVP for the teleconference is not required. It is recommended that participants dial in 5 minutes prior to the teleconference commencement time.

For further information, contact:

Greg Webb

Interim CEO
P2P Transport Limited
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About P2P Transport Limited

P2P Transport is one of Australia's largest fleet management businesses focussed on the point-to-point passenger transport industry, with 2650 vehicles across Australia.

P2P Transport's fleet includes a range of taxis, corporate and rental vehicles servicing each segment of the point-to-point passenger transport industry.

Zevra, Black & White Cabs, Adflow, and Australia Wide Chauffeur Cars are amongst some of the brands managed by P2P Transport.

P2P Transport's business model is premised on the control of all key stages of the fleet management lifecycle, from vehicle acquisition, in-house customization and vehicle servicing, driver support, and fleet management and administration.

www.p2ptransport.com.au

Appendix 4E

(unaudited)

For the year ended 30 June 2019

P2P Transport Limited and Controlled Entities
ABN: 77 617 760 899

This report is provided to the Australian Stock Exchange (ASX) under the ASX Listing Rule 4.3A.

P2P Transport Limited (ABN 77 617 760 899) and Controlled Entities

Financial report for the year ended 30 June 2019

APPENDIX 4E – PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

Results for Announcement to the Market

Report for the year ended 30 June 2019

This statement includes the results for P2P Transport Limited and controlled entities, for the year ended 30 June 2019 (current period) compared with the year ended 30 June 2018 (prior period). The financial results of P2P Transport Limited and controlled entities are prepared in accordance with Australian International Financial Reporting Standards (AIFRS).

To comply with Regulatory Guide 230 issued by ASIC in December 2011, P2P Transport is required to make a clear statement about whether information disclosed in documents other than the financial report has been audited or reviewed in accordance with Australian Auditing Standards.

The Preliminary Final Report has been prepared in accordance with ASX Listing Rule 4.3A and has been derived from the unaudited Annual Financial Report. In accordance with the Corporations Act 2001, the Preliminary Final Report is unaudited and contains disclosures which are extracted or derived from the Annual Financial Report for the year ended 30 June 2019. The Annual Financial Report is being audited and is expected to be made available in late September 2019. The Annual Financial Report will contain disclosures regarding the Group's ability to continue as a going concern and the audit report will be modified in relation to this matter.

1. Key Information

1.1 Results for Announcement to the Market

Key Information		2019 $000	2018 $000	% Change
Revenue from ordinary activities	UP	63,592	32,711	94%
(Loss)/Profit after tax from ordinary activities attributable to members	UP	(19,811)	(37,862)	48%
Net (loss)/profit attributable to members*	UP	(19,811)	(37,862)	48%
Pro forma EBITDA*	UP	5,636	3,951	43%

*Refer to pages below for pro forma EBITDA reconciliation to statutory net profit after tax.

1.2 Explanation of Key Information

P2P completed its IPO in on 11 December 2017 and proceeded to undertake a number of strategic acquisitions that has seen P2P build a platform that makes one of the largest vertically integrated passenger transport fleet managers in Australia with 3 divisions: Fleet Services, Network Services and Adflow.

Revenue has increased by close to $31m when compared to FY18 primarily as a result of (1) acquisitions made in FY18 contributing a full year's revenue and (2) the impact of further acquisitions made in the current year. The major contribution in FY19 was the acquisition of Black & White Cabs (BWC) effective 1 August 2018. BWC had a network of over 1,400 vehicles which has subsequently grown to 2,040 vehicles under P2P ownership. The company also acquired Non-Stop Media effective 1 December 2018 and used this business as a foundation to launch the Adflow Digital taxi top offering to compliment static backs and wrap advertising.

Margins increased substantially from less than 10% to over 40% due to the scale achieved from the acquisitions made and in particular to the margins achieved from the BWC business.

Having built an East Coast platform, P2P encountered a number of headwinds which were fully documented in its Quarterly Cashflow Statement on 23 April 2019. These included:

- **Fleet Services** – As P2P consolidated a significant vertical platform in the taxi industry its competitors responded in Melbourne and Gold Coast Cabs. This impacted P2P's key metrics of utilisation per vehicle revenue thus impacting revenues. It also incurred significant legal and staff costs dealing with these issues. These issues have now been largely resolved.
- **Digital Taxi Top Units** – P2P encountered technical issues that impacted unit performance and resulted in considerable once off costs and delayed the roll out thus impacting projected revenues. Costs incurred in solving the technical issues combined with delayed roll-out had an adverse impact in FY19.
- **Network Services** – has performed to expectations albeit is below the anticipated forecasts.

As a result of the above issues, guidance was revised downwards in April 2019. P2P's Chair and CEO resigned at the time of the downgrade and subsequently the CFO resigned and left in July 2019. Chip Beng Yeoh, Non Executive Director and existing Board member took over as interim Chair. Greg Webb, Executive Director and founder of BWC took over as Interim CEO. John Dickson was subsequently appointed CFO in June 2019.

Notwithstanding P2P was able to record a positive EBITDA (adjusted for Impairment and Earn Outs) of $0.8m being a major improvement on the loss recorded in the previous year. The Company, however, has had to write down assets at 30 June totalling $8.5m and provide for additional earn out cost for the BWC acquisition. Together with depreciation and amortisation and finance costs the NPBT is a $21.5m loss. A tax credit of $1.7m improves this marginally to $19.8m.

1.3 Dividends

No dividends were paid during the Reporting Period nor are any proposed.

2. Dividend Reinvestment Plan

There was no dividend reinvestment plan in operation during the financial year.

3. Net Tangible Assets per Share

	2019 cents per share	2018 cents per share
Net tangible assets per ordinary share[1]	($0.04)	$0.23

[1]Calculated using the weighted average number of ordinary shares on issue during the year ended 30 June 2019.

4. Control Gained or Lost over Entities in the Year

Control gained: Refer to Note 14 of the preliminary financial report.

Control lost: None.

5. Associates and Joint Ventures

Name: My Taxi Manager Pty Ltd

Holding: 33%

Name: iHail Pty Ltd

Holding: 20%

Name: Taxi Industry (Australia) Insurance Brokers Pty Ltd

Holding: 27%

6. Commentary on the Results for the Year

Reconciliation of pro forma net profit after tax to statutory net profit after tax is summarised below:

	Statutory Actual FY2019	Pro Forma FY2019	Pro Forma Forecast FY2019
Total Revenue ($'000)	63,592	78,100	77,000-80,000
EBITDA ($'000)	800	5,636	5,600-5,800
EBITDA Margin	1.3%	7.1%	7.3%
Net Profit/(Loss) After Tax	(19,811)	n/a	n/a

Notes:

1. Pro forma figures represent non-IFRS financial information that has not been subject to audit or review but have been determined using information presented in the Company's ASX announcements and financial statements. Refer to the table below for a reconciliation of pro forma amounts to IFRS amounts.
2. Statutory results do not include the first month of performance of Network business, the first five month of Non Stop Media and the first ten months of the Perth based fleet services business.

Pro forma – Statutory profit and loss reconciliation	
	FY19 $'000
Statutory NPAT – P2P Group – Loss	**(19.811)**
Impairment loss on Goodwill	4,471
Impairment	4,074
Earn out cost	3,640
Increased provisioning for doubtful debts and at fault motor accidents	1,503
Costs relating to acquisitions	841
Finance cost	1,797
Depreciation & amortisation	8,606
Tax expense	(1,771)
Annualised realised cost savings	894
EBITDA trading for acquired entities (annualising performance)	1,392
Pro forma EBITDA – P2P Group – Profit**	**5,636**

** The pro forma financial information has been derived from the financial report to illustrate the net results of the Group, adjusted for the annualised impact of acquired entities and cost savings initiatives; the impact of the one off costs relating to the acquisitions including earn out not capitalised; and impairment losses.

6. Commentary on the Results for the Year (continued)

A commentary has been provided for the statutory loss recorded in FY19 and this has been reconciled to the Proforma result that shareholders have become familiar with during the year.

Guidance was first revised downwards in April 2019. At this time proforma revenues for FY19 were first advised to be in a range of $77m to $80m and proforma EBITDA, previously advised in a range of $16.1m to $16.8m was revised downwards to a range of $7.8m to $8.2m.

Subsequently on 24 June the Company further revised down its proforma EBITDA to a range of $5.6m $5.8m as a result of additional provisions for doubtful debts and at fault motor vehicle costs totalling c$1.2m. The fuel tax credit rebates were reduced from $0.95m to zero following an ATO tribunal ruling. It is the later guidance numbers that are provided in the table above as Proforma forecast FY2019.

Based on unaudited accounts at 30 June 2019, the company has recorded proforma revenues of $78.1m consistent with revised guidance. Proforma EBITDA was also consistent with revised guidance at $5.63m

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2019

	Note	2019 $000's	2018 $000's
Revenue	1	63,592	32,711
Cost of sales		(37,055)	(25,866)
Gross profit		26,537	6,845
Employee benefits expense		(17,635)	(6,411)
Other operating expenses		(8,102)	(5,573)
Total operating expenses		(25,737)	(11,984)
Operating (loss)/profit before initial public offer expenses, finance costs and depreciation and amortisation		800	(5,139)
Initial public offer expenses	2	-	(11,801)
Impairment loss on goodwill	2	(4,471)	(2,700)
Gain on bargain purchase		206	-
Finance costs	2	(1,797)	(14,476)
Impairment		(4,074)	-
Earn-out expense		(3,640)	
Depreciation and amortisation	2	(8,606)	(3,678)
(Loss)/Profit before income tax		(21,581)	(37,794)
Income tax (expense)/benefit	3	1,771	(68)
(Loss)/Profit for the year attributable to members of the parent		(19,811)	(37,862)
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of plant and equipment		-	-
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive (loss)/income for the year attributable to members of the parent		(19,811)	(37,862)
(Loss)/Earnings per Share	4		
Basic (loss)/profit per share (cents per share)		(23.78)	(64.40)
Diluted (loss)/profit per share (cents per share)		(23.78)	(64.40)

The above statement should be read in conjunction with the accompanying notes.

The financial statements are in the process of being audited.

Consolidated Statement of Financial Position
For the year ended 30 June 2019

	Note	2019 $000's	2018 $000's
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	**5**	1,806	3,618
Trade and other receivables	**6**	8,081	3,764
Inventories	**7**	1,275	491
Other current assets	**8**	3,299	3,032
TOTAL CURRENT ASSETS		14,461	10,905
NON-CURRENT ASSETS			
Plant and equipment	**9**	17,339	14,581
Intangible assets and goodwill	**10**	7,900	4,486
Right to use asset		5,559	-
Investments in associates		476	100
Deferred tax assets	**3.4**	3,360	1,207
TOTAL NON-CURRENT ASSETS		34,634	20,374
TOTAL ASSETS		49,095	31,279
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	**11**	22,420	4,248
Borrowings	**12**	8,090	3,078
Lease liabilities		3,680	-
Current tax liabilities	**3.3**	-	185
Provisions	**13**	1,585	973
TOTAL CURRENT LIABILITIES		35,775	8,484
NON-CURRENT LIABILITIES			
Borrowings	**12**	3,800	3,666
Lease liabilities		2,161	-
Trade and other payables	**11**	2,500	-
Provisions	**13**	274	145
Deferred tax liabilities	**3.4**	1,545	699
TOTAL NON-CURRENT LIABILITIES		10,280	4,510
TOTAL LIABILITIES		46,055	12,994
NET ASSETS		3,040	18,285
EQUITY			
Issued capital	**15**	59,454	54,086
Asset revaluation reserve	**16**	790	790
Other reserves	**16**	418	726
Accumulated (losses)/profits		(57,622)	(37,317)
TOTAL EQUITY		3,040	18,285

The above statement should be read in conjunction with the accompanying notes.

The financial statements are in the process of being audited.

	Issued Capital $'000	Asset reval. reserve $'000	Other reserves $'000	Accumulated Profits/ (Losses) $'000	Total $'000
Balance at 1 July 2017	**4,777**	**790**	**-**	**545**	**6,112**
Loss for the year	-	-	-	(37,862)	(37,862)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(37,862)	(37,862)
Shares issued: initial public offer	20,000	-	-	-	20,000
Share issued on conversion of convertible notes	19,796	-	-	-	19,796
Shares issued in exchange for services received	10,160	-	-	-	10,160
Share options and rights granted	-	-	526	-	526
Shares issued as consideration for business combinations	750	-	-	-	750
Equity instruments to be issued as consideration for business combinations	-	-	200	-	200
Share issue transaction costs, net of tax	(1,397)	-	-	-	(1,397)
Balance at 30 June 2018	**54,086**	**790**	**726**	**(37,317)**	**18,285**
Balance at 1 July 2018	**54,086**	**790**	**726**	**(37,317)**	**18,285**
Adjustments	-	-	-	(494)	(494)
Balance at 1 July 2018	54,086	790	726	(37,811)	17,791
Loss for the year	-	-	-	(19,811)	(19,811)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(19,811)	(19,811)
Share issued on conversion of convertible notes	290	-	-	-	290
Shares issued in exercise of share rights	400		(400)	-	-
Shares issued in exchange for services received	174	-	-	-	174
Share options and rights granted	-	-	92	-	92
Shares issued as consideration for business combinations	4,504	-	-	-	4,504
Balance at 30 June 2019	**59,454**	**790**	**418**	**(57,622)**	**3,040**

The above statement should be read in conjunction with the accompanying notes.

The financial statements are in the process of being audited.

	Note	2019 $000's	2018 $000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		61,809	35,462
Payment to suppliers and employees		(54,070)	(43,752)
Interest and costs of finance paid		(1,797)	(520)
Income tax refunds		(185)	43
Net cash (used in)/provided by operating activities	**17**	5,757	(8,767)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net consideration (paid)/received in cash for business acquisitions	**14**	(3,798)	(7,145)
Payments for plant and equipment	**9**	(8,929)	(8,124)
Proceeds from disposal of plant and equipment		-	34
Investment in associates		(376)	-
Payment for intangible assets	**10**	(75)	(18)
Net cash used in investing activities		(13,178)	(15,253)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		8,892	7,712
Repayment of borrowings		(6,283)	(3,980)
Proceeds from issue of new shares	**15**	-	20,000
Transaction costs relating to issue of new shares		-	(1,996)
Proceeds from the issue of convertible notes	**15**	3,000	9,840
Repayment of convertible notes		-	(4,000)
Net cash flow from/(used in) financing activities		5,609	27,576
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(1,812)	3,556
Cash and cash equivalents at beginning of year	**5**	3,618	62
CASH AND CASH EQUIVALENTS AT END OF YEAR	**5**	1,806	3,618

The above statement should be read in conjunction with the accompanying notes.

The financial statements are in the process of being audited.

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	2019 $000's	2018 $000's
1. Revenue and other income		
Fleet revenue	39,760	31,284
Service revenue (mechanical/panel)	3,657	1,439
Accident (settlement expense)/recovery income	423	(209)
Other income	885	197
Network and radio services	16,543	-
Advertising revenue	2,324	-
	63,592	32,711
2. Expenses		
Plant and equipment	6,070	3,667
Amortisation of intangible assets	2,536	11
Total depreciation and amortisation	8,606	3,678
Finance costs		
Finance charge on settlement of convertible notes	-	13,956
Interest expense on lease arrangements	1,797	520
	1,797	14,476
Share based payments	92	358
Initial public offer expenses		
IPO expenses settled in cash	-	1,473
IPO expenses settled in shares	-	10,160
IPO expenses settled in share options	-	168
	-	11,801
Impairment loss on trade receivables	1,680	80
Impairment loss on goodwill	4,471	2,700
3. Income tax (benefit) / expense		
Current tax	312	99
Deferred tax	(2,083)	(31)
Total income tax (benefit)/expense recognised in the current year relating to continuing operations	(1,771)	68

	2019 $000's	2018 $000's

4. (Loss) / Earnings per share

The following reflects the (loss)/earnings per share data used in the calculation of basic and diluted (loss)/earnings per share (EPS) computations.

	2019 $000's	2018 $000's
EPS is calculated based on:		
(Loss)/Profit for the year	(19,811)	(37,862)
Weighted average number of ordinary shares used in the calculation of basic and diluted EPS	83,306	58,791
Basic and diluted (Loss)/Earnings per share (cents)	(23.78)	(64.40)
Anti-dilutive potential ordinary shares excluded from the weighted average number of ordinary shares for diluted (loss)/earnings per share calculation	372	372

5. Cash and cash equivalents

	2019 $000's	2018 $000's
Cash on hand	28	123
Cash at bank	1,778	3,495
	1,806	3,618

6. Trade and other receivables

	2019 $000's	2018 $000's
Current		
Trade receivables	7,986	1,373
Provision for impairment of receivables	(1,350)	(80)
	6,636	1,293
Vehicles accident receivables	1,545	1,470
Provision for impairment of vehicles accident receivables	(417)	-
Other receivables	317	1,001
	8,081	3,764

Provision for impairment of receivables

Current trade receivables are non-interest bearing and generally on less than 30-day terms. A provision for impairment is recognised when there is objective evidence that an individual receivable is impaired. Financial difficulties of the debtor, payment defaults or the commencement of debt recovery litigation have been considered to determine our impairment provision. These amounts have been included in the other expenses as an expense.

7. Inventories

	2019 $000's	2018 $000's
Spare parts	1,275	491

8. Other current assets

	2019 $000's	2018 $000's
Deposits to suppliers	307	285
Prepayments for insurance and registration	2,992	2,747
	3,299	3,032

9. Plant and equipment

Details of plant and equipment are as follows:

	2019 $000's	2018 $000's
Motor vehicles at revalued amount	26,039	22,928
Less: accumulated depreciation	(14,125)	(9,095)
Less: impairment	(1,989)	-
Total motor vehicles	9,925	13,833
Plant and equipment at cost	16,268	1,557
Less: accumulated depreciation	(7,943)	(1,006)
Less: impairment	(2,086)	-
Total plant and equipment at cost	6,239	551
Leasehold improvements at cost	284	251
Less: accumulated depreciation	(167)	(129)
Less: impairment	-	-
Total leasehold improvements	117	122
Work in progress	1,058	75
Total plant and equipment	17,339	14,581

Movements in carrying amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	Motor vehicles $000's	Plant and equipment $000's	Leasehold improvements $000's	Work in progress $000's	Total $000's
Carrying amount at 30 June 2017	3,943	171	75	-	4,189
Additions	7,811	187	51	75	8,124
Acquisition of subsidiaries	5,680	260	-	-	5,940
Revaluation increase	(5)	-	-	-	(5)
Depreciation	(3,596)	(67)	(4)	-	(3,667)
Carrying amount at 30 June 2018	13,833	551	122	75	14,581
Additions	2,771	5,171	6	981	8,929
Acquisition of subsidiaries	-	3,974	-	-	3,974
Disposals/write-off	-	-	-	-	-
Depreciation	(4,689)	(1,371)	(11)	-	(6,070)
Impairment	(1,989)	(2,086)	-	-	(4,075)
Carrying amount at 30 June 2019	9,926	6,239	117	1,056	17,339

10. Intangible assets

	2019 $000's	2018 $000's
Computer software and licenses at cost	1,223	42
Less: accumulated amortisation	(1,052)	(11)
	171	31
Customers List at cost	1,824	-
Less: accumulated amortisation	(290)	-
	1,534	-
Brand name on acquisition of subsidiaries	2,284	-
Goodwill on acquisition of subsidiaries	11,083	4,455
Less: impairment on goodwill	(7,172)	-
	7,900	4,486

The current charges for intangible assets are included under depreciation and amortisation expense in the consolidated statement of profit or loss and other comprehensive income.

(a) Movements in carrying amounts

Movement in the carrying amounts for each class of intangible assets between the beginning and the end of the current financial year:

	Goodwill on acquisitions $000's	Brand name $000's	Customers list $000's	Computer software and licenses $000's	Total $000's
Carrying value at 30 June 2017	4,455	-	-	7	4,462
Additions	-	-	-	18	18
Acquisition of subsidiaries	2,700	-	-	17	2,717
Impairment and amortisation	(2,700)	-	-	(11)	(2,711)
Carrying value at 30 June 2018	4,455	-	-	31	4,486
Additions	-	-	-	75	75
Acquisition of subsidiaries	7,552	2,284	1,821	209	11,866
Impairment and amortisation	-	-	(290)	(127)	(416)
Carrying value at 30 June 2019	12,007	2,284	1,531	188	16,011

Goodwill acquired through business combinations is allocated to each of the Group's cash-generating units (CGUs) that are expected to benefit from the synergies of the business combinations. Each CGU to which goodwill is allocated represents the lowest level at which assets are monitored for internal management purposes.

The Group tests whether goodwill should be impaired on an annual basis. The recoverable amount of each CGU is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using estimated growth rates.

	2019 $000's	2018 $000's
11. Trade and other payables		
Current		
Unsecured liabilities		
Trade payables	5,074	2,454
Vehicles accidents payable	1,571	620
Sundry payables and accrued expenses	3,770	1,174
Deferred revenue	1,178	-
Amounts payable in relation to business acquisitions	6,205	-
Amounts payable in relation to assets purchase	4,622	-
	22,420	4,248
Non-Current		
Unsecured liabilities		
Amounts payable in relation to business acquisitions	2,500	-
	2,500	-

12. Borrowings

	2019 $000's	2018 $000's
Current		
Secured liabilities		
Gross hire purchase liabilities	4,642	1,961
Less deferred charges	(415)	(273)
	4,227	1,688
Insurance premiums funding facility	1,548	1,540
Less deferred charges	(92)	(150)
	1,456	1,390
Convertible notes	2,407	-
Less: deferred charges	-	-
	2,407	-
	8,090	3,078
Non-Current		
Secured liabilities		
Gross hire purchase liabilities	3,800	3,862
Less deferred charges	-	(196)
	3,800	3,666
Total borrowings	11,890	6,744

13. Provisions

	2019 $000's	2018 $000's
Current		
Employee benefits	1,585	973
Non-Current		
Employee benefits	274	145

Provision for long-term employee benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data.

14. Business Combinations

30 June 2019

On 2 August 2018, P2P Transport acquired the shares of Black & White Holdings Limited (BWHL) and its subsidiaries. BWHL is the operator of the Black & White Cabs dispatch network that operated predominately in South East Queensland and Perth. The consideration is set out below and consists of cash, equity and deferred consideration.

On 1 December 2018, P2P Transport acquired the business of Non-Stop media, which included the assets and client lists. The business is a leading static media provider throughout Australia.

On 29 April 2019, P2P Transport acquired the Fleet Services Business from Combined Taxi Management Pty Ltd which operates a taxi fleet in Perth, Western Australia.

Consideration transferred

	BWT Group $'000	Non-Stop Media $'000	Combined Taxi-Perth $'000	Total $'000
Cash consideration	3,933	572	150	4,655
Issue of shares as consideration	3,971	-	433	4,404
Fair value of shares to be issued as consideration	-	-	-	-
Contingent consideration	4,640	600	-	5,240
Total consideration transferred	12,544	1,172	583	14,299

Fair value of assets acquired, and liabilities assumed at the date of acquisitions was as follows:

	BWT Group $'000	Non-Stop Media $'000	Combined Taxi-Perth $'000	Total $'000
Assets				
Cash and cash equivalents	456	-	36	492
Trade and other receivables	2,517	-	17	2,534
Inventories	316	92	105	512
Plant and equipment	3,095	272	608	3,974
Investment in equity shares	326	-	50	376
Deferred tax assets	360	-	11	370
Identifiable intangible assets				
- Brand name	2,284	-	-	2,284
- Customers list	626	1,195	-	1,821
- Other intangible assets	209	-	-	209
	15,181	2,730	1,616	19,527
Liabilities				
Trade and other payables	(3,252)	-	-	(3,252)
Deferred tax liabilities	(1,004)	(359)	-	(1,363)
Employee entitlements	(940)	(28)	(36)	(1,004)
	4,992	1,172	790	6,954

14. Business Combinations (continued)

Goodwill arising on acquisition

	BWT Group $'000	Non-Stop Media $'000	Combined Taxi-Perth $'000	Total $'000
Consideration transferred	12,544	1,172	583	14,299
Less: fair value of identifiable net assets acquired	(4,992)	(1,172)	(790)	(6,954)
Goodwill arising on acquisition	7,552	-	(206)	7,345

	BWT Group $'000	Non-Stop Media $'000	Combined Taxi-Perth $'000	Total $'000
Net cash outflow/(inflow) on acquisition of subsidiaries				
Total cash consideration	8,573	1,172	150	9,895
Less: cash and cash equivalent balances acquired	(456)	-	(36)	(492)
Less: cash consideration payable at year end	(4,954)	(600)	(50)	(5,604)
	3,162	572	64	3,798

15. Issued capital

	2019		2018	
	Number	$'000	Number	$'000
Opening balance	78,656,062	54,086	5,800,000	4,777
Initial capital	-	-	-	-
Share split	-	-	29,000,000	-
Shares issued: initial public offer	-	-	15,151,515	20,000
Shares issued on conversion convertible notes	1,889,668	290	18,515,153	19,796
Shares issued in exchange services received	669,793	574	9,621,212	10,160
Shares issued as consideration for business combinations (refer note 14)	6,564,001	4,504	568,182	750
Share issue transaction costs, net of tax	-	-	-	(1,397)
Closing balance	87,779,524	59,454	78,656,062	54,086

16. Reserves

16.1 Asset Revaluation Reserve		
At beginning of year	790	790
Fair value revaluation of motor vehicles	-	-
	790	790
16.2 Other Reserves		
(a) Share option reserve		
At beginning of year	168	-
Issued during the year	-	168
	168	168
(b) Share-based payments reserve		
At beginning of year	358	-
Utilised during the year	(400)	
Issued during the year	92	358
	50	358
(c) Other reserves		
At beginning of year	200	-
Committed during the year	-	200
	200	200
Total reserves	1,208	1,516

15. Cash flow information

Reconciliation of cash flow from operations with (loss)/profit after income tax:

(Loss)/profit after tax	(19,811)	(37,862)
Non-cash flows:		
Initial public offer expenses	-	10,160
Finance costs	-	13,956
Depreciation and amortization	8,606	3,678
Share base payment expense	92	526
(Gain) / loss on bargain purchase	(206)	-
Earn out expense	3,640	-
Impairment	4,074	-
Impairment of goodwill	4,471	2,700
Impairment loss on trade receivables	1,767	80
Profit of disposal of plant and equipment	(17)	(29)
	2,616	(6,791)
Movement in working capital:		
(Increase)/decrease in assets:		
Trade and other receivables	(4,317)	(553)
Inventory	(784)	(77)
Other current assets	(267)	(2,907)
Deferred tax assets	(2,153)	(286)
Increase/(decrease) in liabilities:		
Trade and other payables	13,471	764
Current tax liabilities	(185)	43
Provisions	741	782
Deferred tax liabilities	846	255
Net cash (used in)/provided by operating activities	5,757	(8,767)

16. Segment results

Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, share of profit of associates, investment income, other gains and losses, as well as finance costs. This is the measure reported to the Board of Directors for the purposes of resource allocation and assessment of segment performance.

For the year ended 30 June 2019, the segments of the Group have shifted with the acquisition of Black & White Cabs. Segments are now based on line of business. Fleet segment information has been provided by State as a comparative to the prior period.

FLEET

Year ended 30 June 2019	Victoria $'000	NSW $'000	QLD $'000	WA $'000	Network $'000	Adflow $'000	Total Segments $'000	Corporate & Other $'000	Adjusts. and Elims. $'000	Total $'000
Revenue										
External customers	3,557	18,783	20,278	291	26,252	2,289	71,450	136	(7,994)	63,592
	3,557	**18,783**	**20,278**	**291**	**20,252**	**2,289**	**71,450**	**136**	**(7,994)**	**63,592**
Results										
Operating (loss)/profit before initial public offer expenses, finance costs and depreciation and amortisation	(672)	637	(6,312)	(15)	3,103	695	(2,563)	(4,348)	-	(6,913)
Initial public offer expense	-	-	-	-	-	-	-	-	-	-
Impairment of goodwill	-	(4,471)	-	-	-	-	(4,471)	-	-	(4,471)
Gain on bargain purchase	-	-	-	206			206	-	-	206
Finance costs	(158)	(491)	(248)	-	(191)	(101)	(1,189)	(610)	-	(1,799)
Depreciation and amortisation	(886)	(2,711)	(2,684)	(28)	(1,376)	(526)	(8,211)	(106)	(289)	(8,606)
Income tax benefit/(expense)	-	-	-	-	-	-	-	1,771	-	1,771
Total segment results	(1,716)	(7,036)	(9,244)	163	1,536	68	(16,228)	(3,293)	(289)	(19,811)

Year ended 30 June 2019	Victoria $000's	NSW $000's	QLD $000's	WA $000's	Network $000's	Adflow $'000	Total Segments $'000	Corporate & Other $000's	Adjusts and Elims. $000's	Total $000's
Total Assets	2,612	(5,591)	(71)	996	11,283	8,203	17,432	40,266	(8,603)	49,095
Total Liabilities	4,004	5,055	5,392	260	7,116	7,699	29,526	15,298	1,231	46,055

Year ended 30 June 2018	Victoria $'000	NSW $'000	QLD $'000	Total Segments $'000	Corporate & Other $'000	Adjusts. and Elims. $'000	Total $'000
Revenue							
External customers	5,533	15,331	11,925	32,789	89	(167)	32,711
Result							
Operating profit before initial public offer expenses, finance costs and depreciation and amortisation	(360)	(1,281)	(511)	(2,152)	(2,987)	-	(5,139)
Initial public offer expenses	-	-	-	-	(11,801)	-	(11,801)
Impairment loss on goodwill	-	-	(2,700)	(2,700)	-	-	(2,700)
Finance costs	(40)	(399)	(76)	(515)	(13,961)	-	(14,476)
Depreciation and amortisation	(680)	(1,810)	(1,165)	(3,655)	(23)	-	(3,678)
Income tax (benefit)/expense	-	-	-	-	(68)	-	(68)
Total segment results	(1,080)	(3,490)	(4,452)	(6,322)	(28,840)	-	(37,862)

Year ended 30 June 2018	Victoria $'000	NSW $'000	QLD $'000	Total Segments $'000	Corporate & Other $'000	Adjusts. and Elims. $'000	Total $'000
Total Assets	3,874	19,442	7,851	31,167	21,224	(21,112)	31,279
Total Liabilities	3,481	18,160	4,069	25,710	2,407	(15,123)	12,994