Move

Annual Report
2021

Moving Forward.

/ CHARTING A NEW COURSE

We are building on the heritage of our company to create a world leading integrated supply chain provider in New Zealand.

To do this, we are taking steps to ensure our business is fully optimised and strongly positioned for the future.

We are being brave in identifying our weaknesses as well as our strengths and doing what is needed to make MOVE a stronger, leaner and more profitable business.

We will be bold in our actions as we deliver value for our people and our customers and look to reduce our impact on the environment.

Delivering exceptional customer service is paramount and we will be innovative in our thinking to ensure the best solution to meet the long term needs of our customers.

As we move ahead under new leadership and with a rejuvenated Board, we remain committed to continually improving safety, customer service, our workplace environment, sustainability and shareholder returns.

There is significant potential in, and for, our Group. Now is the time to chart a new course that unlocks the potential of our business, delivers value for all stakeholders and positions MOVE as the preferred transport and logistics provider in New Zealand.

On behalf of the Board and management, we are pleased to present the MOVE Logistics Group Limited Annual Report for the year ended 30 June 2021. This Annual Report is dated 29 September 2021 and is signed on behalf of the Board by:

Trevor D Janes
Outgoing Chairman

Lorraine Witten
Incoming Chair

/ CONTENTS

/ MOVING FORWARD WITH A VALUE FOCUSED CULTURE

OUR CUSTOMERS

We are focused on the needs of our customers. We recognise without customers we have no business and do what it takes to be our customers' logistics partner of choice. We are easy to do business with, collaborate and learn from outcomes with our customers.

SAFETY

We focus on team safety ensuring every employee arrives home safe and sound whatever their role. This includes training our staff in the latest safety procedures and using quality equipment as part of our processes.

OUR TEAM

We work together as a cohesive group, to empower our individual strengths. All employees are given the opportunity for growth and development. We show pride in the appearance of ourselves and our equipment. We all share a "can do" attitude.

SUSTAINABILITY

We want to be a leader in sustainable logistics services. Creation of a sustainable strategy that focuses on our people, customers, investors and communities is important. Our strategy extends to emission reduction targets and transparent reporting, with the aim being a better environment for us all.

INNOVATION

We strive to be leaders in logistics innovation and welcome new technology with enthusiasm and interest. We always look for ways to improve our effectiveness and efficiency.

PROFESSIONALISM

We do what we say we will do. We act openly and honestly both within the organisation and with our customers. We value ethics, integrity and we do what is right.

RESULTS DRIVEN

We are committed to providing the best services, exceeding expectations of our customers and creating sustainable value for our shareholders and stakeholders.

/ FY21 AT A GLANCE

OPERATING ENVIRONMENT

- Strengthening demand and constrained supply driving increase in cost pressures across sectors. Businesses are passing on higher costs
- Supply chain capacity remains congested in New Zealand, leading to inflationary pressure
- Driver shortages becoming more acute
- Improved household income supports spending, with residential construction boosting activity and oil prices rising
- Agriculture and forestry sector improving but aquaculture activity down
- Continued economic recovery expected, however, supply constraints could temper growth

KEY EVENTS

- Opened new 6,000 sqm warehouse in Hamilton with cornerstone customer
- Completed acquisition of remaining shares in TNL International joint venture (Melbourne)
- Completed acquisition of assets of Fletcher Construction Asset Hub and entered into long term contract with Fletcher Construction in July 2020 to supply heavy transport and logistics services
- Continued to execute Freight Improvement programme
- Significant changes in share register

Post Balance Date

- Refinanced bank debt
- Chris Dunphy and Mark Newman joined the MOVE Board
- Chris Dunphy appointed Executive Director on 27 July 2021 following resignation of the CEO
- Rebranded to bring businesses under the banner of MOVE, signifying a unified presence across our end-to-end supply chain solutions
- Commencement of comprehensive business review

SAFETY PERFORMANCE

- Continued reduction in lost time injury frequency rate for the third year in a row
- Rolling out in-cab technology to help prevent fatigue events (% completed: Freight 90%, Bulk Liquids 64%)
- Accepted into ACC Accredited Employer Program

Recognised with a Global Fleet Champion Award for Company Driver Safety

/ FY21 FINANCIAL PERFORMANCE

Group revenue was up 6% on the prior comparative period (pcp) to $353.2m, with the continued economic recovery in New Zealand driving activity and demand across a range of sectors which are important sales areas for MOVE, including residential construction, infrastructure, food & beverage and agriculture.

Earnings Before Interest, Tax, Depreciation and Amortisation and non-trading items (EBITDA[1]) of $61.3m was 7% ahead of the prior year and in line with guidance.

Group EBITDA margin remained flat at 17% with revenue gains from increased warehouse capacity and specialist haulage project work offset by increasing wage and fuel costs, higher fleet maintenance costs and significant project variations.

Four of MOVE's five divisions delivered increased revenue and EBITDA, with a slight decrease in the International division which has been affected by supply chain headwinds and Covid-19 restrictions. The turnaround programme for the Freight division continues with significant work still to come, focused on improving utilisation and margins.

Net profit after tax was $0.9m including non-trading and impairment post tax costs of $1.2m[2]. These were associated with a discontinued IT project, joint venture impairment and an acquisition which was not progressed. Excluding these non-trading items, NPAT was up 71% on prior year to $2.1m.

A prudent approach to capital expenditure in the post-Covid environment saw spend reduced by 45%, while still maintaining baseline investment in fleet and equipment maintenance and technology. Capex is expected to increase in FY22 as the company resumes sustaining capital expenditure, and investment into fleet upgrades and technology.

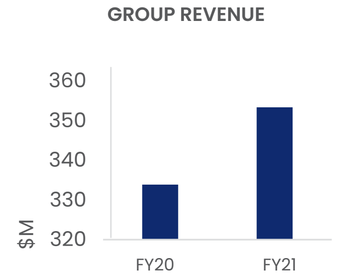
Cashflow metrics remain positive with net cash generated from operating cashflow increasing to $43.2m as at 30 June 2021.

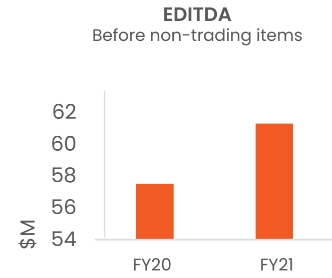
Total borrowings reduced to $70.2m at year end, with $16.2m repaid during the year from cash as well as net proceeds of $8.2m from the mandatory convertible note placed in May 2021. Excluding lease liabilities, net debt decreased to $65.2m as at year end. The company had cash and cash equivalents of $13.2m at period end. New financing arrangements are in place for the FY22 year with ANZ Bank and UDC Finance, providing improved terms and tenure.

[1] EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation and non-trading costs excluding income and impairment from associates. EBITDA is a non-GAAP measure

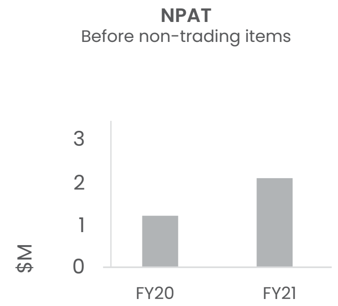
[2] Non-trading costs of $1.5m excluding tax comprise $1.2m for a discontinued IT project and $0.3m associated with an acquisition which was not progressed

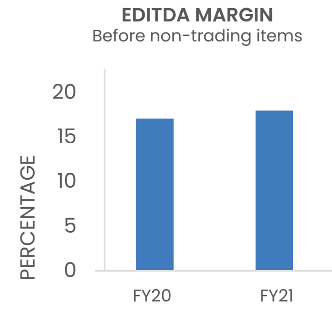
REVENUE
$353.2M



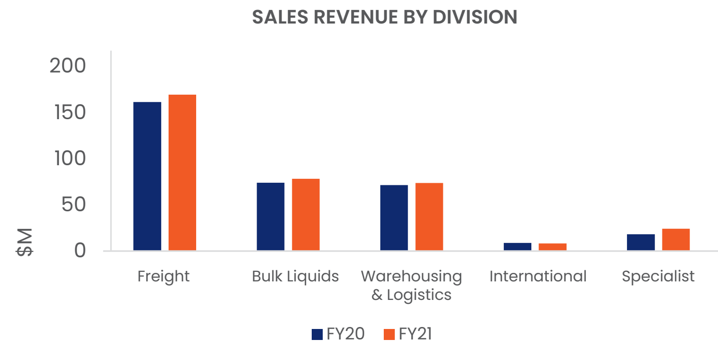


EBITDA BEFORE NON-TRADING ITEMS[1,2]
$61.3M

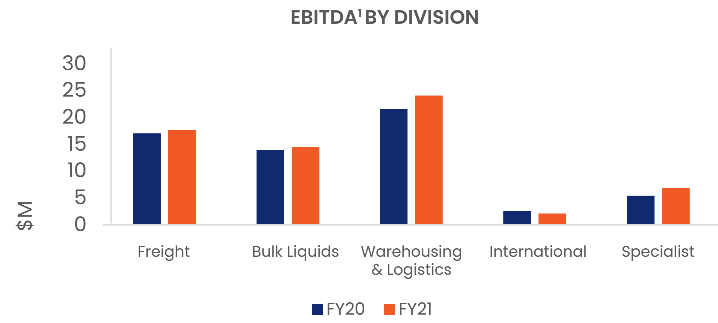




NET PROFIT AFTER TAX
$0.9M



NORMALISED NPAT UP 71% ON PRIOR YEAR
$2.1M



/ FY21 IN REVIEW

FOREWORD FROM TREVOR JANES, OUTGOING CHAIRMAN

Both Jim Ramsay and myself are retiring by rotation at this year's annual meeting and we have both advised that we will not be seeking re-election. Jim is one of the founders of MOVE and without him, our company would not exist. His deep industry knowledge and passion for the sector have led to the creation of one of New Zealand's leading transport companies and we will take the opportunity to acknowledge his invaluable contributions at our annual meeting.

It has been a privilege to have been Chairman of MOVE Logistics Group since its listing three years ago. As part of our long term Board succession planning, I have stepped down as Chairman of MOVE Logistics Group from 29 September 2021, with Lorraine Witten appointed as Chair.

Lorraine has over 20 years' governance experience and has been Chair of MOVE's Audit & Risk committee for the past three years. She is a dynamic and experienced director and was the unanimous choice of the Board for Chair.

Our company is moving ahead in the next stage of its journey with a refreshed Board and new leadership and I am confident that MOVE has a long and exciting future ahead of it.

Lorraine and I are pleased to jointly present this report for the year ended 30 June 2021.

We were pleased to deliver a year on year increase in revenue and profit in a challenging environment in FY21. However, we are conscious that our results are not where we want them to be and we have a comprehensive review underway to reset and reposition our business.

MOVE Logistics Group remains one of New Zealand's largest transport and logistics groups, offering an end to end supply chain solution. The challenges of the last year have reinforced to us that now is the time to shake things up and reposition our company for the future.

The effects of the Covid-19 pandemic are ongoing and will be with us for a while. Exacerbating this has been the supply chain disruption, with a global shortage of shipping containers and congestion at ports further adding to supply chain woes. Shipping companies and ports are working together to unlock the congestion, however, we don't expect to see a material easing until late in calendar year 2021.

We are grateful for the efforts of all our people during the last twelve months, who have continued to ensure that our customer needs are met, no matter what the conditions. My thanks go to all the MOVE teams for their exceptional efforts over a challenging period. We would also like to thank our shareholders, our customers and our suppliers for their support over this time.

Our priority when the pandemic first hit was the health and safety of our people and we established protocols to ensure our people remain safe while operating as essential workers. At the time of writing this report, New Zealand has once again been locked down as the Delta variant hits our shores. Until the majority of people are vaccinated, the serious impact of Covid-19 will be ongoing, affecting people, businesses and communities around the globe.

For MOVE, the most obvious impact of the pandemic has been to our clients. Large infrastructure projects such as windfarms have been delayed, imported goods are now being freighted directly to customers to meet built up demand rather than warehoused and, while some sectors such as residential construction are booming, many others are suffering such as tourism, manufacturing and aquaculture. Our teams have worked alongside customers to provide support and solutions during this time.

Initiatives undertaken during the year have strengthened our business for this environment. Of note, was the refinancing of the Group's bank facilities, replacing ASB Bank with ANZ and UDC Finance, and with better terms and tenure. We were pleased to re-establish relationships with these organisations, both of which have a deep understanding of the industry and our company. Their support reflects the confidence they have in our business, our strategy and our team.

The Freight Improvement programme continued to progress, albeit with significantly more work still be to be done. And we bought our businesses together under the MOVE Logistics Group banner, signalling a unified presence across our end-to-end supply chain solution.

The sell down by the founders of the business has introduced new shareholders and increased liquidity. Following the resignation of the CEO, Chris Dunphy agreed to take on an Executive Director role in July 2021.

Since balance date, Mark Newman, another experienced transport and logistics executive, has also been appointed as a Director. Both Chris and Mark bring a wealth of experience with them and the Board is already benefitting from their insights.

Economic Outlook

While the current momentum in the domestic economy is expected to continue, supply and capacity constraints could temper growth in the short term. Continuing disruption is expected on supply chains in FY22, with lockdowns, shipping constraints, port closures and congestion affecting the import and export of goods from New Zealand. Inflationary pressures are now looking more persistent, with increasing wage costs and the continuing challenge of driver shortages in the transport industry.

Private and public investment, as well as consumer demand and Government spending, is expected to drive demand in certain sectors such as construction and infrastructure. We will be targeting those sectors that offer value accretive opportunities for the business.

The August/September 2021 Covid-19 restrictions have materially impacted MOVE's trading in the first half of the FY22 year, with less Freight and Fuel transport over this time as a result of reduced economic activity and consumer demand. The Board continues to closely monitor the situation and the impact of any further extensions or restrictions on the company's performance. We are taking all the necessary steps to keep our community and employees safe and healthy, particularly those drivers working as essential service workers.

Comprehensive Business Review

Our job now is to get the company match fit, to build on our strengths to take MOVE Logistics Group into its future.

We are conscious that our business must and will do better. We are now taking bold steps to ensure our business is fully optimised and strongly positioned for the future. Led by Chris Dunphy, a comprehensive business review is underway to reset the business and define a clear strategic pathway that will deliver on our priorities of margin improvement, better utilisation of assets and profitability. This will lead to a clear strategy that unlocks the potential of our business, delivers value for all stakeholders and positions MOVE as the preferred transport and logistics provider in New Zealand.

The first steps have already been taken with an organisational restructure. The Warehousing & Logistics and Fuel divisions are being combined to better align core capabilities and will operate as business units within a new Contract Logistics division, with a focus on investing in resources tailored to specific customer contracts. Margin improvement and growing shareholder value remain priorities for the Group.

An update, including the outcomes of the business review, will be provided to shareholders at or before the 2021 Annual Meeting.

The Board would like to thank shareholders for their continued support. We are focused on creating a world leading business and delivering the improvements and value that our shareholders expect and deserve. We look forward to the challenge and the positive actions we are now taking to make a step change in our business.

Trevor Janes
Outgoing Chairman

Lorraine Witten
Incoming Chair

/ DIVISION PERFORMANCE

MOVE operates across five divisions, with its three largest divisions – Freight, Warehousing and Bulk Liquids – making up ~90% of revenue and EBITDA. The rebranding of the Group in July 2021 brings the divisions and businesses together under the banner of MOVE Logistics Group Limited.

FREIGHT

The first 12 months of the freight improvement plan have been completed, with early benefits being seen in operational efficiency, customer interaction and back office administration. Other transport modes continue to be adopted as part of customer solutions, with growing demand for multi-modal solutions in response to supply chain headwinds. However, margins remain below acceptable levels with the increase in sales offset by higher overheads. Initiatives are being adopted to both improve margins and return on capital employed (ROCE), and 'fixing Freight' is one of three top priorities for FY22.

WAREHOUSING & LOGISTICS

Revenue and margins improved year on year with revenue growth driven by increased warehouse capacity, offset by softer transport volumes and port congestion in Auckland, and warehousing utilisation levels in Christchurch. Opportunities have been identified to improve ROCE including property rationalisation, capacity utilisation and expansion into different market segments.

BULK LIQUIDS

Revenue and EBITDA improved year on year, with a small decrease in margin as a result of higher fleet and staff costs. MOVE's Bulk Liquids division provides a highly specialised service and it remains one of the largest fuel haulage providers in New Zealand. The business remains alert to future opportunities and continues to work closely with its partners to develop the potential for both the use and haulage of hydrogen fuel.

SPECIALIST

New business wins in the construction sector and large windfarm projects have continued to drive revenue increases, although significant variations to windfarm project milestones have had a small impact on margins. Existing assets are being utilised for new project work, delivering an improved ROCE. New opportunities are being targeted which leverage MOVE's specialist skills and experience moving bulky and oversize items onto difficult-to-reach sites. In particular, the extension to the Tiwai Point Aluminium Smelter has seen increased interest in a number of electricity generation projects that could come on stream in the next two to three years.

INTERNATIONAL

The International division had a challenging year, with a number of clients yet to recover to pre-Covid levels, as well as supply chain headwinds. A slow and steady recovery is expected, once Covid restrictions and port congestion ease.

/ MOVE-ING TO IMPROVE

WITH EXECUTIVE DIRECTOR, CHRIS DUNPHY

Chris Dunphy was appointed to the Board in July 2021, taking on the role of Executive Director later that month following the resignation of the CEO. He is currently leading a comprehensive review of the MOVE business, with the goal to deliver improvement for all stakeholders.

Chris has a wealth of knowledge and experience in the transport and logistics industry in New Zealand and Australia. He is a former executive director of Mainfreight, joining the company in 1993 and helping to take it public in 1996. After ten years of senior management roles in Mainfreight, spearheading their global growth-by-acquisition strategy, Chris resigned as executive director in 2003 to pursue private investments in a number of freight, shipping and logistics businesses.

/ What does your role of Executive Director entail?

The resignation of the previous CEO opened up an opportunity for me to be more hands on with the business. I invested in MOVE and subsequently came on board as Executive Director as I believe there is great potential for our company to be the leader in the transport and logistics sector in New Zealand.

/ Tell us more about the business review that you are leading.

MOVE has grown and evolved over the last 150 years and has a great platform for growth. But the potential for the company is not currently being realised. Our review is looking at all aspects of the business.

We will be brave in identifying our weaknesses as well as our strengths and doing what is needed to make MOVE a stronger, leaner and more profitable business. Essential to our success is our commitment to delivering value for our people and our customers and reducing our impact on the environment.

Three immediate priorities have been identified to drive margin improvement, better utilisation of assets and profitability:

- Turn around and reset the Freight division
- Define, invest in and deliver an attractive multi-service solution for contracted clients
- Optimise the property footprint to service client demand

We have already identified a number of exciting opportunities to refocus our business, build on our client partnerships and deliver innovative logistics solutions. The potential to organically grow our business is astounding and I look forward to sharing an update with shareholders at or before MOVE's annual meeting.

/ How important are people and culture to MOVE's success?

People are our everything - they are the face of our company and the ones delivering on our customer excellence promise to our customers.

We are focused on building a culture that builds on our values and empowers our people to deliver the best possible service and solution to our customers. Over the last 18 months, MOVE people have proved their ability to adapt, innovate and overcome obstacles in their quest to deliver excellence. They have worked under challenging conditions as essential workers during lockdowns, keeping both themselves and our customers safe.

Health and safety remains paramount across all levels of the business as we deliver on our vision of "No Harm to People, the Environment or Assets". While there is always more to do, we were pleased to see the Company's injury frequency rates reducing for the third year in a row.

Talent recruitment and retention is an important pathway for our business and we will be aligning our teams with strong executives capable of leading change and transformation. We recognise that women are under-represented in in our industry and have plans in place to address this as much as we can.

/ How do you see MOVE addressing the sector's environmental challenges?

We are conscious of the impact that the transport industry has on New Zealand's carbon emissions, primarily from diesel fuel used by trucks. New Zealand's transport network and geography means that trucks will always be an essential part of how we move goods from a to b. However, there are opportunities to reduce our carbon impact, through the use of alternative fuels, upgrading to newer and more fuel efficient trucks and by further developing multi-modal freight solutions that benefit clients and environment and supply chains.

MOVE has led the way in the sector, supporting the use of hydrogen as an alternative fuel source. We are now taking another bold step and have confirmed an order for the first two HYZON hydrogen fuelled trucks to come to New Zealand, making us the first freight company in the country to utlise this new and exciting alternative fuel opportunity.

/ What are your aspirations for MOVE over the medium term?

We are focussed on providing shareholders, team members and clients with a commitment to improvement.

- We will improve our shareholder returns, so that we are measured comparably to our listed peers
- We will improve our facilities and incentivise good outcomes to retain good people and attract more like-minded MOVErs
- We will improve our client response times, our metrics and our ability to make change that benefits our customers' businesses
- We will improve our commitment to all stakeholders as to sustainability and our carbon footprint.

I'm delighted to be a part of the MOVE team and bringing the skills I've learned over decades into what is already a really good business to make it even better. That's my mission; that's why I'm here.

MOVE is making history, having confirmed an order which will make MOVE the first freight company in New Zealand to have hydrogen fuel trucks in our fleet. The two HYZON trucks are expected to be in service second half of 2022 and will add to the electric metro trucks we already have operating in the Auckland area.

MOVE ANNUAL REPORT 2021 17

OUR PRIORITIES FOR FY22

FIX THE FREIGHT DIVISION

- Turn around and reset the Freight division
- Define and refine the sectors we operate in
- Target those sectors that offer value accretive opportunities for the business
- Ensure that we have the right tools to do the job
- Manage for margin, not size
- Realign the culture from trucks to client

DEVELOP OUR 'CONTRACT LOGISTICS' OFFERING

- Invest in our business in response to the specific needs of contracted clients
- Customer first approach with focus on developing and maintaining long term relationships
- Attract high-calibre executives to grow this offering

REPOSITION OUR ASSET BASE

- Optimise the property footprint to best serve client demand
- Exit company-owned vehicles in favour of leases & Owner Drivers
- Invest in best-of-breed IT that can drive operational improvement
- Attract good people and retain the best people

Customer first approach with focus on developing and maintaining long term relationships.

/ CONTINUALLY BUILDING A BETTER BUSINESS

We believe it is every business' responsibility to add value and leave the world in a better place. For us, that means continuing our sustainability journey, supporting our people and engaging with our communities.

- 62,249 TONNES CO2 EMISSIONS[3]
- GENERATED 140,907 KW OF SOLAR ENERGY FROM OUR ROLLESTON WAREHOUSE
- 65% OF OUR WAREHOUSE FORKLIFT FLEET IS ELECTRIC
- 13% FEMALE LEADERS IN A TEAM OF 1,477 EMPLOYEES
- ABOVE AVERAGE EMPLOYEE ENGAGEMENT SCORE
- OVER 50 FACILITIES LOCATED IN COMMUNITIES AROUND THE COUNTRY

[3] Subject to final Toitū certification review

/ OUR PEOPLE

Our people are the backbone of our business and our team values recognise teamwork to empower individual strengths, pride in our work and a 'can do' attitude.

The industry continues to face challenges recruiting young people and the border restrictions have added to the labour shortages already confronting the sector. We are working with partners to develop a cadetship which would provide a gateway programme for year 12 and 13 students, with a clear pathway to gaining a full Class 5 licence and training in the Fuel sector. We have also been working with a logistics partner to support people back into the workforce and provide further career development opportunities.

The launch of our Emerging Leaders Group programme, which focuses on supporting career growth and development for frontline emerging leaders in MOVE Freight, has been positively received by participants. This will be an ongoing initiative as we increase our focus on development and learning across the Group.

We have 1,477 employees, from truck drivers to warehouse staff, admin, support staff and managers. The sector remains male dominated, with 18% female employees across the company and 13% in leadership roles. Encouraging more females into the sector is a key goal for MOVE and will be a focus for our cadetship programme. We will also be addressing this need with targeted recruitment and re-engineering driving roles to provide more flexibility including investigating the opportunity for job-sharing.

Our first Group-wide Employee Engagement Survey generated valued feedback and insights into our People & Culture programme. Pleasingly, at an Individual level, our employees are feeling aligned and appreciate the ability to be able to arrange time off work when they need to. Our Managers are recognised for building alignment and showing genuine care towards employees' wellbeing. At an organisational level, there's a good awareness of what our company values are.

HEALTH, SAFETY AND WELLBEING

Staying safe, keeping others safe, and being corporately responsible are fundamental to what we are as an organisation. Operating our business in this way helps us deliver on our vision of "No Harm to People, the Environment or Assets". Paying close attention to safety, wellbeing, sustainability, ethics and integrity go hand in hand with that vision.

Training was an important focus for the Health & Safety team in FY21, with courses tailored to specific roles and levels.

The Company's injury frequency rates provide a lag indicator of performance with the LTI rates reducing for the third year in a row.

More information on health and safety can be read on page 92 in the Governance Report.

"It's not about gender – we are all owner drivers and business people. We have the same goals, want to do amazing things and all want to be treated equally. MOVE recognises this and is really supportive of its people."

– Rochelle Scott

Rochelle Scott is an owner driver for MOVE Logistics, operating a fleet of three trucks, a van and a forklift and employing other drivers to assist her in the delivery of goods around the Bay of Plenty region.

Originally a driver for Mainfreight, Rochelle joined MOVE early in 2021 and says the best thing about the change has been the support and encouragement she has received to help her achieve her goals.

"I couldn't think of a job or occupation I would rather do. I love driving trucks, working with the MOVE team and delivering the best customer service I can."

Rochelle entered the transport industry after time in the Army, as a professional firefighter and working as a courier driver. She says while the sector is changing, there's a lot of old school drivers, and it took perseverance and hard work to prove herself. But it's an industry she loves and she encourages anyone, including other women, who love a challenge and being out and about to consider it as a career.

"It's not about gender – we are all owner drivers and business people. We have the same goals, want to do amazing things and all want to be treated equally. MOVE recognises this and is really supportive of its people."

With four children and a growing business, Rochelle continues to step up and prove herself time and again. She's not resting on her laurels and is planning to include line haul trucks in her fleet at some time in the future. But for now, she says, the fun of working the metro route, jumping in and out of her truck and working with customers is something she can't get enough of.

Planting for future generations

Sometimes all it takes is a small amount of effort and time to make a big difference.

Duder Regional Park on the Whakakaiwhara Peninsula in Auckland was created in 1995. The Auckland Regional Council manages the Peninsula as a farmed park, while also restoring coastal forest, valley and wetland ecosystems.

Members of the MOVE Fuel Auckland Team dedicated their weekend time to take part in the Duder Park planting day, assisting with plating of over 2,000 trees. Not disclosed to the team prior to the day was the sheer climb to the top to then dig holes. However, the views and camaraderie more than made up for the additional exercise and a great day was had by all... building team spirt and benefiting the environment at the same time.

/ ENVIRONMENT

We recognise that the transport sector has an impact on climate change and the environment. As a business, we take this seriously.

We are at the start of our journey to measure, monitor and reduce our emissions. Our carbon footprint is dominated by diesel fuel and we have an improvement programme in place to reduce our emissions. This includes investing in electric forklifts, installing solar panels on new warehouses and building with sustainability in mind. In line with this, 65% of the Warehousing division's forklift fleet has now been electrified. As we upgrade our fleets, we will transition to new, more fuel efficient models. Driver training also seeks to develop behaviour that reduces the use of fuel on the road.

A Purr-fect Match

MOVE Freight Christchurch is continually looking at ways to reduce the amount of waste sent to landfill. In any given day, the business is transporting a wide range of goods and supplies around the Canterbury region and beyond. Occasionally food products may be damaged in transit and when this happens, we work with our customers to redirect items to a good cause.

Our team works closely with local organisations including Satisfy Food Rescue which re-directs surplus perishable food that would otherwise have been destined for landfill or animal feed, to those in the community who most need it.

When a customer had a shipment of damaged dry cat food, the MOVE team worked with them to find the perfect new home – at the local SPCA shelter.

As a local business, supporting our local community is important and so is helping our customers make sustainable choices by redistributing these items to those that need it.

/ OUR COMMUNITIES

We have over 50 branches, depots and warehouses located in communities around the country. We also work in partnership with many different groups and organisations.

We are committed to adding value to our communities and we support a number of charity, businesses and organisations across our network. Often it is the individuals in our teams that drive our involvement, sharing their passion and desire to make our communities a better place.

Blankets on Beds

The Hamilton team were challenged to step up and take action after a local girl Hayley Minturn featured on the One News segment ASB Good as Gold. Hayley started her initiative, Blankets on Beds, when she was just 11, buying blankets for a local emergency housing charity. Now at 17, she has inspired her whole school to get behind her and is supplying bedding to multiple emergency housing providers.

The MOVE team partnered with Hayley, helping with transport of bedding between suppliers and those delivering it. It is a privilege to support young people in our communities who are making a difference.

Driving Food Runs in New Plymouth

For many of us, when we feel hungry, we can go to our fridge or pantry for a snack or meal. Sadly, for some in our community, this is not a reality.

MOVE New Plymouth has partnered with Taranaki Food Bank for a number of years, supplying the driving power and trucks for the regular food runs. The use of MOVE's Metro trucks significantly increases the amount that can be collected by volunteers.

We are always humbled to see how generous the people and business of Taranaki are with the food runs and we are proud to be part of this event each year.

/ Tempo is the Transport Event Management and Resource Optimisation software system used in our Freight business to deliver visibility for our drivers and our customers.

Additional features were enabled in FY21, making it easier to use for our drivers and warehouse staff, and allows our customers to track and trace their freight as it travels through our network.

The system follows a job from dispatch and freight allocation to delivery and includes many of the standard and non-standard processes a driver may need to carry out in the field.

/ INVESTING IN TECHNOLOGY

Technology and the insights provided by enhanced data analytics allow us to reduce our cost to serve, improve operational efficiency and add value to our customers. Importantly, technology is also enhancing our health and safety pathway, providing access to online training to ensure our people remain safe in their workplaces.

In the last 12 months, our initiatives have ranged from:

- Automation of packing slip printing for customers – this has saved our team manually printing over 100 individual packing slips a day
- Enhancement to the Freight mobility software, enabling track and trace, notification and milestone features
- Reporting and dashboards for key customers
- Label printing kiosks allowing drivers and freight handlers to print off consignment labels without having to go to dispatch
- Assura health and safety system- upgraded and consolidated across the group
- Rollout of new cloud based all-in-one spend management software which includes accounts payable automation
- Integration of Atrax re-measure equipment to MOVE's TMS is enabling automated weight and volume adjustments to ensure customers are charged the correct rates

In the next financial year, we will continue to invest in technology that adds value for our business and our customers. We will be introducing image recognition to read and load orders into our systems, adding further tracking, integration and reporting features for customers and maximising our technology platform while continuing to strengthen our cybersecurity processes to ensure our data and systems are secure.

/ OUR BOARD AS AT 29 SEPTEMBER 2021

Move's Board comprises directors with a wealth of skills and experience that add value to the business and for shareholders. The ongoing rejuvenation of the Board has seen in two new appointees in the last six months, with Chris Dunphy and Mark Newman joining the team. Both are alumni of Mainfreight and experienced transport and logistics sector executives. In July 2021, Chris accepted the role of Executive Director and is currently leading a comprehensive review of the business and operations.

Both Trevor Janes and Jim Ramsay are to retire by rotation at the 2021 Annual Meeting later this year. In line with the Board's succession planning, both Trevor and Jim have advised that they will not be standing for re-election.

Jim was a founding partner in the relaunch and expansion of what has today become one of New Zealand's largest transport and logistics businesses. Trevor is one of New Zealand's most experienced directors and joined the Board as Chair at the time MOVE listed on the NZX in November 2017. Both Trevor and Jim have been valued members of the Board and Directors would like to take this opportunity to acknowledge and thank them for their contributions.

More information on Governance at MOVE can be read on pages 86 to 93.

LORRAINE WITTEN
INCOMING CHAIR
APPOINTED 6 DECEMBER 2017

Lorraine Witten is an experienced executive and entrepreneur with extensive commercial experience in high growth and high change environments. Her skills are in technology, ICT, construction, services and network economics, where she has 30 years' experience in senior management and finance roles. Lorraine has 20 years of governance experience and is a Fellow of the Institute of Directors. She currently sits on the board of a number of private and public companies including Pushpay, Horizon Energy Group and Rakon.

TREVOR JANES
OUTGOING CHAIR, AUDIT & RISK COMMITTEE CHAIR
APPOINTED 6 DECEMBER 2017

Trevor Janes has significant governance experience with a number of private and public companies. During the year he was appointed as Chair of NZ RegCo, having previously been a member of the NZX Markets Disciplinary Tribunal. His career has been in investment banking and financial analysis and he is a Fellow of INFINZ and of CA ANZ, a Member of the Chartered Financial Analysts Institute (USA), and a Chartered Fellow of the Institute of Directors.

JAMES (JIM) RAMSAY
NON-INDEPENDENT DIRECTOR
APPOINTED 6 DECEMBER 2017

Jim has extensive experience in the New Zealand transport industry and has spent some 45 years in lead management roles with Hookers, TNL/Newmans Group and MOVE. He has been responsible for building MOVE from a local New Plymouth trucking operation into a New Zealand wide transport force. He has served as Chair of MOVE and several associated companies, and has played a significant part in transport industry matters. He has been honoured with Life Membership in his local Road Transport Association and is a Fellow of the Chartered Institute of Logistics and Transport. In 2013 Jim was inducted into the NZ Road Transport Hall of Fame. Jim resigned as executive director on 31 December 2019 and since then has been a non-executive director of the Company. Jim is a substantial shareholder in the Company.

DANNY CHAN
INDEPENDENT DIRECTOR
APPOINTED 6 DECEMBER 2017

Danny is an experienced New Zealand director with extensive accounting and finance and investment and education experience. He holds a number of directorships with companies associated with his private investments both in New Zealand and offshore. He is a member of the China Council and was a member of the Department of Prime Minister and Cabinet-China Project Advisory Group. He is a Trustee of Asia New Zealand Foundation and a member of University of Auckland Business School Advisory Board. During the year Danny completed his term as a member of the New Zealand Market Disciplinary Tribunal.

PETER DRYDEN
INDEPENDENT DIRECTOR
APPOINTED 23 OCTOBER 2019

Peter is a professional company director and advisor, based in Taranaki. He currently sits on the Boards of several private and public companies including Port Taranaki and Aquafortus Limited. Peter has worked in leadership positions across Asia, Australia and New Zealand, and has a strong background in the development and implementation of growth strategies and change management. He has extensive executive experience and was Managing Director, Australia and New Zealand, for DowAgroSciences for nine years until May 2016.

CHRIS DUNPHY
EXECUTIVE DIRECTOR
APPOINTED 1 JULY 2021

Chris Dunphy is a former executive director of Mainfreight and general manager of Mainfreight's international division. Chris joined Mainfreight in 1993 and spearheaded their global growth-by-acquisition strategy, before resigning in 2003 to pursue private investments in a number of freight, shipping and logistics businesses. Chris assumed the role of Executive Director of MOVE Logistics Group on 27 July 2021.

MARK NEWMAN
INDEPENDENT DIRECTOR
APPOINTED 27 JULY 2021

Mark has extensive domestic and international transport and logistics industry expertise, having held senior leadership roles with Mainfreight for over 20 years, as CEO Mainfreight Europe and General Manager New Zealand Transport. He has a deep understanding of the New Zealand transport landscape along with a wealth of experience in building successful teams and developing strong culture. His extensive knowledge in bringing together businesses, brands and people are of value as MOVE Logistics Group moves into a new era.

Move

Financial Statements
For the year ended 30 June 2021

DIRECTORS' STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

The Directors of MOVE Logistics Group Limited are pleased to present the financial statements for MOVE Logistics Group Limited and its subsidiaries (together the Group) for the year ended 30 June 2021 contained on pages 1 - 41.

Financial statements for each financial year fairly present the financial position of the Group and its financial performance and cash flows for that period and have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgments and estimates and all relevant financial reporting standards have been followed.

Proper accounting records have been kept that enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the financial statements with the Financial Markets Conduct Act 2013.

Adequate steps have been taken to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

The Directors hereby approve and authorise for issue the financial statements for the year ended 30 June 2021. They do not have the power to amend these financial statements after issue.

For and on behalf of the Board

Trevor Janes - Chairman
25 August 2021

Lorraine Witten - Director
25 August 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	NOTES	30 JUNE 2021 $000	30 JUNE 2020 $000
Revenue	7	353,247	333,811
Gains on disposal of assets		869	648
Lease income		1,632	1,333
Other income		1,058	12,223
Total Income	**7**	**356,806**	**348,015**
Transport costs		(136,891)	(132,718)
Employee costs		(127,609)	(125,309)
Rental / lease expenses		(3,459)	(5,114)
Other operating expenses		(27,533)	(26,248)
Changes in contingent consideration		-	225
Depreciation of right of use assets		(31,471)	(28,460)
Other depreciation / amortisation expenses		(14,891)	(14,442)
Other non operating expenses		(1,451)	(104)
Impairment of investment in associates	16.2	(95)	(440)
Total Operating Expenses	**8**	**(343,400)**	**(332,610)**
Finance costs relating to lease liabilities		(8,046)	(7,947)
Other finance costs - interest on borrowing		(3,181)	(3,940)
Interest income on short term deposit		1	63
Operating surplus before income tax		**2,180**	**3,581**
Share of (loss) of associates		(149)	(86)
Profit Before Income Tax		**2,031**	**3,495**
Income tax expense	9	(727)	(984)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		1,304	2,511
Profit attributable to:			
Owners of the company		869	2,015
Non-controlling interests		435	496
		1,304	**2,511**
Other comprehensive income:			
Comprehensive Income for the Period, Net of Tax		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		1,304	2,511
Earnings per share for profit attributable to the ordinary equity holders of the Company		**CENTS**	**CENTS**
Basic and diluted earnings per share	11	0.99	2.31

The above consolidated Statement of Profit or Loss & Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2021

	NOTES	30 JUNE 2021 $000	30 JUNE 2020 $000
ASSETS			
Current Assets			
Cash and cash equivalents	12.1	13,214	11,882
Inventories		55	68
Trade and other receivables	12.2	49,754	43,711
Tax receivable		450	-
Advances to associates	12.3	218	305
Total Current Assets		**63,691**	**55,966**
Non-Current Assets			
Property, plant and equipment	13.1	87,785	94,229
Right of use assets	13.2	164,826	170,029
Intangible assets	13.3	21,173	23,821
Investments in associates	16.2	417	653
Total Non-Current Assets		**274,201**	**288,732**
TOTAL ASSETS		**337,892**	**344,698**
EQUITY			
Share capital	14	37,054	37,054
Other reserves		48	-
Accumulated losses		(873)	(1,742)
Equity attributable to owners of the parent		36,229	35,312
Non-controlling interest in equity		1,738	1,614
TOTAL EQUITY		**37,967**	**36,926**
LIABILITIES			
Current Liabilities			
Trade and other payables	12.4	31,840	27,050
Tax payable		-	461
Deferred revenue	7	504	361
Borrowings	12.6	67,352	6,100
Lease liability	13.2	27,310	25,882
Employee entitlements	12.5	12,524	14,208
Provision for other liabilities and charges		–	294
Total Current Liabilities		**139,530**	**74,356**
Non-Current Liabilities			
Borrowings	12.6	2,811	80,163
Lease liability	13.2	144,218	147,600
Convertible note	12.7	7,395	-
Derivative financial instrument	12.7	834	-
Deferred income tax liability	13.4	2,682	3,340
Provisions for other liabilities and charges	13.5	2,455	2,313
Total Non-Current Liabilities		**160,395**	**233,416**
TOTAL LIABILITIES		**299,925**	**307,772**
TOTAL EQUITY & LIABILITIES		**337,892**	**344,698**

The above consolidated Balance Sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

		ATTRIBUTABLE TO OWNERS OF THE COMPANY					
	NOTES	SHARE CAPITAL $000	RETAINED EARNINGS/ (ACCUM. LOSSES) $000	OTHER RESERVES $000	TOTAL $000	NON-CONTROLLING INTEREST $000	TOTAL EQUITY $000
Balance as at 1 July 2019		**35,449**	**(2,364)**	-	**33,085**	**1,237**	**34,322**
Adoption of NZ IFRS 16		-	765	-	765	-	765
Revised balance as at 1 July 2019		**35,449**	**(1,599)**	-	**33,850**	**1,237**	**35,087**
Comprehensive income							
Profit for the year		-	2,015	-	2,015	496	2,511
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income		**-**	**2,015**	-	**2,015**	**496**	**2,511**
Transactions with owners:							
Dividends and dividend reinvestment plan		1,605	(2,158)	-	(553)	(119)	(672)
Balance as at 30 June 2020		**37,054**	**(1,742)**	-	**35,312**	**1,614**	**36,926**
Balance as at 1 July 2020		**37,054**	**(1,742)**	**-**	**35,312**	**1,614**	**36,926**
Comprehensive income							
Profit for the year		-	869	-	869	435	1,304
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income		**-**	**869**	**-**	**869**	**435**	**1,304**
Cumulative translation adjustment		-	-	(9)	(9)	-	(9)
Transactions with owners:							
Employee share scheme	20	-	-	57	57	-	57
Non-controlling interest on acquisition of subsidiary		-	-	-	-	60	60
Dividends and dividend reinvestment plan		-	-	-	-	(371)	(371)
Balance as at 30 June 2021		**37,054**	**(873)**	**48**	**36,229**	**1,738**	**37,967**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	NOTES	30 JUNE 2021 $000	30 JUNE 2020 $000
Cash flows from operating activities			
Receipts from customers		351,850	344,947
Interest received		1	63
Dividends received		51	218
Deferred consideration		-	(4,000)
Payments to suppliers and employees		(295,389)	(298,291)
Government subsidy received		267	10,723
Notional finance charge on NZ IFRS 16 leases		(8,046)	(7,947)
Interest paid		(3,011)	(3,652)
Income tax paid		(2,504)	(1,205)
Net cash generated from operating activities	15.1	**43,219**	**40,856**
Cash flows used in investing activities			
Purchase of business, net of cash acquired		(230)	(5)
Purchase of property, plant and equipment		(6,253)	(13,428)
Proceeds from sale of property, plant and equipment		1,467	6,584
Purchase of intangible assets		(359)	(2,190)
Advances to associates		-	275
Net cash used in investing activities		**(5,375)**	**(8,764)**
Cash flows from financing activities			
Repayment of borrowings	15.2	(16,242)	(5,721)
Proceeds from borrowings		-	2,750
Convertible note	15.2	8,200	-
Repayment of lease liability (NZ IFRS 16)	15.2	(28,099)	(22,956)
Dividends paid to shareholders / non-controlling interests		(371)	(672)
Net cash flow used in financing activities		**(36,512)**	**(26,599)**
Net increase in cash and cash equivalents		1,332	5,493
Cash and cash equivalents at beginning of year		11,882	6,389
Cash and cash equivalents 30 June		**13,214**	**11,882**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1. REPORTING ENTITY

The core operations of MOVE Logistics Group Limited (formerly known as TIL Logistics Group limited, refer note 21) ("MOVE Logistics" or the "Company") and its subsidiaries (collectively "the Group") are in the New Zealand logistics sector. These include general transport, bulk liquids, heavy haulage, shipping, storage and distribution, freight forwarding, national and international household removals and storage.

The Company is incorporated and domiciled in New Zealand, registered under the Companies Act 1993 and is a FMC Reporting Entity under part 7 of the Financial Markets Conduct Act 2013. The Company is listed on the NZX Main Board.

The registered office of the Company is at 330 Devon Street East, New Plymouth, New Zealand.

The consolidated financial statements of the Company as at, and for the year ended 30 June 2021, comprise the Company and its subsidiaries (refer note 16.1), together referred to as the "Group".

1.2. BASIS OF PREPARATION

These financial statements have been prepared on a historical cost basis.

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the Group's accounting policies. The areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

The consolidated financial statements have been prepared in accordance with the Financial Reporting Act 2013 and the Companies Act 1993.

The principal accounting policies adopted in the preparation of the financial statements are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transaction and other events is reported. These policies have been consistently applied to all the periods presented, unless otherwise stated. To ensure consistency with the current period, comparable figures have been restated where appropriate.

1.3. STATEMENT OF COMPLIANCE

The Group is a for-profit entity. Its financial statements have been prepared in accordance with, and comply with, New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand Equivalents to International Financial Reporting Standards and other applicable Financial Reporting Standards and Authoritive Notices, as appropriate for for-profit entities. The financial statements comply with International Financial Reporting Standards (IFRS).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. CONSOLIDATION

a. Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interest issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the elimination of any balances arising between the Group and the acquiree.

a. Subsidiaries (continued)
If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gain or loss arising from remeasurement is recognised in profit or loss.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition by acquisition basis, the Group recognises any non-controlling interest in the acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired, is recorded as goodwill.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity and Balance Sheet respectively.

b. Associates
Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of an accumulated impairment loss. The Group's share of its associates post-acquisition profits or losses is recognised under 'Share of (loss) / profit of associates' in the Statement of Profit or Loss & Other Comprehensive Income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.2. FOREIGN CURRENCY TRANSLATION

a. Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in New Zealand dollars (rounded to thousands), which is the functional and the presentation currency of all companies in the Group.

b. Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2.3. NEW ACCOUNTING STANDARDS

During the year the Company has revised its accounting policy in relation to upfront configuration and customisation costs incurred in implementing Software-as-a-Service (SaaS) arrangements in response to the IFRIC agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements. The new accounting policy is disclosed in note 13.3. There are no significant customisation or configuration costs and therefore no material impact on the financial statements.

2.4. STANDARDS ISSUED BUT NOT YET ADOPTED

There are no new standards or amendments to standards and interpretations that are effective for periods beginning on or after 1 July 2021 that will have a material impact on the consolidated financial statements.

3. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise bank loans, convertible notes and overdrafts, cash, trade creditors and accruals and trade debtors. The main purpose of these financial instruments is to raise and provide working capital for the Group's operations.

This note explains the Group's exposure to financial risks and how these risks affect the Group's future financial performance.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalents and trade receivables.	Aging analysis & credit ratings
Market risk - interest rate	Long term borrowing at variable rates	Sensitivity analysis
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecast

The Group's risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury identifies, evaluates and manages financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, funding risk, interest rate risk, credit risk and use of derivative financial instruments and non-derivative financial instruments.

3.1. CREDIT RISK MANAGEMENT

In the normal course of business the Group incurs credit risk from trade debtors and transactions with financial institutions. The Group has a credit policy that it uses to manage this risk. As part of this policy limits on exposures with counter-parties have been set and approved by the Board of Directors and are monitored on a regular basis.

The Group has no significant concentrations of credit risk. The Group does not require any collateral or security to support financial instruments due to the quality of the financial institutions and trade debtors dealt with. The Group normally gives 30 or 60 days credit on its trade receivables.

At 30 June the Group's credit risk exposure is equal to the carrying value of its financial assets.

	2021 $000	2020 $000
Trade and other receivables		
Trade receivables	47,418	43,740
Credit loss provision	(1,152)	(2,952)
Total trade receivables	**46,266**	**40,788**
Accrued revenue	1,476	717
Sundry receivables	497	534
Advances to associates	218	305
Cash and short term bank deposits		
Bank with AA- credit rating	13,214	11,882

a. Impaired trade receivables
Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet been identified. For these receivables the estimated impairment losses are recognised in a separate provision for impairment. The Group considers that there is evidence of impairment if any of the following indicators are present:

- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or delinquency in payments.

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash.

3.1. CREDIT RISK MANAGEMENT (CONTINUED)

Impairment losses are recognised in profit or loss within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses.

Movements in the provision for impairment of trade receivables that are assessed for impairment collectively are as follows:

	2021 $000	2020 $000
At 1 July	2,952	865
Provision for impairment recognised during the year	193	393
Provision for credit notes to revenue	(1,770)	1,770
Receivables written off during the year as uncollectible	(223)	(76)
At 30 June	**1,152**	**2,952**

The table below sets out information about the credit quality of trade receivables net of the expected credit loss provision:

	Current $000	1-29 days overdue $000	30 - 59 days overdue $000	60+ days overdue $000	Total $000
30 June 2020					
Gross carrying amount	36,306	2,838	2,032	2,564	43,740
Baseline	322	67	193	352	934
Specific	-	793	1,225	-	2,018
Total expected credit loss rate	0.9%	30.3%	70.0%	13.7%	
Credit loss provision	**322**	**860**	**1,418**	**352**	**2,952**

	Current $000	1-29 days overdue $000	30 - 59 days overdue $000	60+ days overdue $000	Total $000
30 June 2021					
Gross carrying amount	41,753	3,410	1,095	1,160	47,418
Baseline	125	66	126	835	1,152
Specific	-	-	-	-	-
Total expected credit loss rate	0.3%	1.9%	11.5%	72.0%	
Credit loss provision	**125**	**66**	**126**	**835**	**1,152**

Critical estimates and judgements

a. Credit loss provision
To measure expected credit losses, trade receivables have been grouped and reviewed on the basis of the number of days past due. The credit loss provision has been calculated by considering the impact of the following characteristics:

- The baseline loss rate takes into account the average write-off history of the Group over a two-year period as a predictor of future conditions and applies an increasing expected credit loss estimate by trade receivables aging profile.
- Specific credit loss provisions are made based on any specific customer collection issues that are identified. Collections and payments from our customers are continuously monitored and a credit loss provision is maintained to cover any specific customer credit losses anticipated.

3.1. CREDIT RISK MANAGEMENT (CONTINUED)

The Group has performed an assessment of credit risk on its customer base taking into consideration the factors below:

- profile of the customer, i.e. corporate or individual customers
- region the customer is based in
- industry the customer operates within
- size and nature of the customer
- and, the Group's understanding of and experience with the customer

As a result of this assessment, the Group has assessed its baseline provision to $1,152,000 (2020: $934,000), to reflect the estimated financial impact of its assessment of the credit risk.

3.2. INTEREST RATE RISK

The Group's main interest rate risk arises from long term borrowing with variable rates which exposes the Group to cash flow interest rate risk. The Group adopts a policy of ensuring that some of its exposure to changes in interest rates on borrowings is on a fixed rate basis by entering into interest rate swaps.

The table below summarises the Group's current interest rate swaps:

Date effective	Face value	Maturity date	Interest rate paid
8 July 2019	20,000,000	8 July 2024	1.59% p.a.

The Group does not hedge account so all market adjustments are recognised in the Statement of Profit or Loss & Other Comprehensive Income. As part of refinancing, the swap was novated to the ANZ Bank Limited and the interest rate is now 1.625% p.a. (refer note 21).

Sensitivity analysis
The effect of a 1% increase or decrease in the floating interest rates for the Group would be a decrease/increase in profit and equity of $575,000 (2020: $663,000).

3.3. LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding through having flexible funding lines available to them. Management monitors rolling forecasts of the Group's liquidity reserve, which comprises its undrawn borrowing facility and cash and cash equivalents (note 12.1) on the basis of expected cash flows.

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	2021 $000	2020 $000
Expiring within one year (bank overdraft)	2,000	10,000
Total	**2,000**	**10,000**

3.3. LIQUIDITY RISK (CONTINUED)

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances or the impact of discounting is not significant.

	Less than 1 year $000	Between 1 and 2 years $000	Between 2 and 5 years $000	Beyond 5 years $000	Total contractual cash flows $000	Carrying amount (assets)/ liabilities $000
2020						
Borrowings	9,150	78,652	3,025	–	90,827	86,263
Lease liabilities	33,179	30,287	66,554	86,556	216,576	173,482
Trade and other payables	27,050	–	–	–	27,050	27,050
Employee entitlements	14,208	–	–	–	14,208	14,208
Total	**83,587**	**108,939**	**69,579**	**86,556**	**348,661**	**301,003**
2021						
Borrowings	69,717	966	2,059	–	72,742	70,163
Convertible note	410	410	1,162	–	1,982	8,229
Lease liabilities	34,509	31,480	64,403	80,748	211,140	171,528
Trade and other payables	31,840	–	–	–	31,840	31,840
Employee entitlements	12,524	–	–	–	12,524	12,524
Total	**149,000**	**32,856**	**67,624**	**80,748**	**330,228**	**294,284**

The Group provides guarantees, these are detailed in note 17.

3.4. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio and bank covenant compliance. The Group's gearing ratio at 30 June 2021 is as follows:

	2021 $000	2020 $000
Bank borrowings	70,163	86,263
Convertible note	8,229	–
Less: cash and cash equivalents	(13,214)	(11,882)
Net debt (excluding lease liabilities)	**65,178**	**74,381**
Equity	**37,967**	**36,926**
Gearing ratio	**63.2%**	**66.8%**

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

a. Estimated impairment of goodwill
The Group tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. Refer to note 13.3 for further details.

b. Working capital
The Group has a negative working capital balance. Management note the impact of the current lease liability on the current liability balance and consider that there are assets available to meet the Group's liabilities as they fall due. In addition, the Group notes the classification of debt as current and its use of the going concern basis given refinancing (refer note 12.6). Given the liability profile, aspects of the balances presented as current liabilities will be funded by the ongoing future activities of the business and new funding arrangements.

c. Valuation of convertible note
In May 2021 the Group issued convertible notes of $8.2m which included an embedded derivative component. The fair value of this derivative is considered an estimate in the financial statements (refer note 12.7).

5. RECONCILIATION TO GAAP MEASURE

The Group results are prepared in accordance with New Zealand Generally Accepted Accounting Practice ("GAAP") and comply with International Financial Reporting Standards ("IFRS").

These financial statements include non-GAAP financial measures that are not prepared in accordance with IFRS. The non-GAAP financial measures used in this presentation are as follows:

- EBITDA (a non-GAAP measure) represents profit before income taxes (a GAAP measure), excluding interest income, interest expense, depreciation and amortisation, share of loss of associates, bargain on acquisition, impairment of investment in associates, deferred consideration, asset impairment and acquisition related costs (non operating expenses) and advisor costs as reported in the financial statements.
- EBIT (a non-GAAP measure) represents profit before income taxes (a GAAP measure), excluding interest income, interest expense, share of loss of associates, bargain on acquisition, impairment of investment in associates, deferred consideration, asset impairment and acquisition related costs (non operating expenses) and advisor costs as reported in the financial statements.

The Group believes that these non-GAAP measures provide useful information to readers to assist in the understanding of the financial performance and position of the Group as they are used internally to evaluate the performance of business units and to establish operational goals. They should not be viewed in isolation, nor considered as a subsitute for measures reported in accordance with IFRS. Non-GAAP measures as reported by the Group may not be comparable to similarly titled amounts reported by other companies.

5. RECONCILIATION TO GAAP MEASURE (CONTINUED)

The following is a reconciliation between these non-GAAP measures and net profit after tax:

Reconciliation to GAAP measure	12 months to June 2021 $000	12 months to June 2020 $000
Profit Before Income Tax (GAAP measure)	2,031	3,495
Add back:		
Share of loss of associates	149	86
Finance costs	11,226	11,824
Impairment of investment in associates	95	440
Other non operating expenses		
- Asset impairment	1,133	-
- Acquisition related costs	318	104
Bargain on acquisition	-	(1,106)
Depreciation & amortisation	46,362	42,902
Deferred consideration and advisor costs expensed	-	(225)
EBITDA (non-GAAP measure)	61,314	57,520

Reconciliation to GAAP measure	12 months to June 2021 $000	12 months to June 2020 $000
Profit Before Income Tax (GAAP Measure)	2,031	3,495
Add back:		
Share of loss of associates	149	86
Finance costs (net)	11,226	11,824
Impairment of investment in associates	95	440
Other non operating expenses		
- Asset impairment	1,133	-
- Acquisition related costs	318	104
Bargain on acquisition	-	(1,106)
Deferred consideration and advisor costs expensed	-	(225)
EBIT (non-GAAP measure)	14,952	14,618

6. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM). The CODM is responsible for allocating resources and assessing performance of the operating segments.

The Group has made the decision that the thirteen operating segments that form part of the reporting to the Group CEO can be aggregated into six reporting segments. Reportable segments have been determined by having regard to the nature of the services, the processes the various business units undertake to service customers, the type of customers serviced, and the nature of the distribution channels.

In addition to GAAP measures, the Group CEO also uses non-GAAP measures (EBITDA and EBIT) to assess the commercial performance of the segments (refer note 5). The revised reportable operating segments have been determined as:

INTERNATIONAL
This segment includes international freight forwarding and shipping agency services across a broad range of industries.

SPECIALIST
This segment provides transport and lifting solutions for oversized and large items. They also carry out specialist moving jobs.

FREIGHTING
This segment provides nationwide general freight transport services with regional strength. It is able to transport a wide range of freight types.

WAREHOUSING & LOGISTICS
This segment specialises in warehousing and supply chain capabilities which enable comprehensive supply chain solutions to customers.

BULK LIQUIDS
This segment includes the service for delivery of various bulk liquid goods.

CORPORATE
This segment includes our corporate services function.

6. SEGMENT INFORMATION (CONTINUED)

The segment information for the year ended 30 June is as follows:

	International $000	Specialist $000	Freighting $000	Warehousing & Logistics $000	Bulk Liquids $000	Corporate $000	Total $000
Year ended 30 June 2020							
Total segment revenue	8,976	18,722	168,176	73,556	78,798	-	348,228
Inter-segment revenue	(4)	(312)	(6,949)	(2,245)	(4,907)	-	(14,417)
Revenue from external customers	**8,972**	**18,410**	**161,227**	**71,311**	**73,891**	**-**	**333,811**
EBITDA	2,563	5,364	16,933	21,523	13,919	(2,782)	57,520
Depreciation - tangible assets	107	1,959	5,659	2,633	1,581	245	12,184
Depreciation - ROU assets	117	718	9,251	12,861	5,412	101	28,460
Depreciation - intangible assets	19	-	29	1,851	-	359	2,258
EBIT	2,320	2,687	1,994	4,178	6,926	(3,487)	14,618
Assets	**7,947**	**25,932**	**143,200**	**110,957**	**42,180**	**14,482**	**344,698**
Liabilities	**4,173**	**3,902**	**104,783**	**77,256**	**33,078**	**84,580**	**307,772**
Capital expenditure including intangibles	**501**	**2,342**	**5,983**	**3,048**	**2,578**	**2,713**	**17,165**
Year ended 30 June 2021							
Total segment revenue	8,242	24,301	181,219	73,892	82,862	-	370,516
Inter-segment revenue	(9)	(182)	(12,226)	(162)	(4,690)	-	(17,269)
Revenue from external customers	**8,233**	**24,119**	**168,993**	**73,730**	**78,172**	**-**	**353,247**
EBITDA	2,075	6,833	17,618	23,970	14,456	(3,638)	61,314
Depreciation - tangible assets	146	2,070	5,890	2,649	1,524	302	12,581
Depreciation - ROU assets	232	971	10,428	14,355	5,324	161	31,471
Depreciation - intangible assets	1	56	12	1,840	-	401	2,310
EBIT	1,696	3,736	1,288	5,126	7,608	(4,502)	14,952
Assets	**11,471**	**27,419**	**136,775**	**114,257**	**35,112**	**12,858**	**337,892**
Liabilities	**7,137**	**7,141**	**100,391**	**80,798**	**28,754**	**75,704**	**299,925**
Capital expenditure including intangibles	**179**	**287**	**1,714**	**2,021**	**2,210**	**749**	**7,160**

Interest income and expense are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

Sales between segments are eliminated on consolidation. The amounts provided to the CODM with respect to segment revenue are measured in a manner consistent with that of the financial statements.

Revenues of approximately $46,500,000 (2020: $43,800,000) are derived from a single external customer which exceeds 10% or more of our entity's revenue. These revenues are attributed to the Bulk Liquid segment.

7. REVENUE & OTHER SOURCES OF INCOME

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Group's activities. Revenue is shown net of GST, rebates and after eliminating sales within the Group.

a. Sale of services
Freight Services
The Group performs transportation services. Revenue is recognised over the time of delivery, being from the time of acceptance of the goods to delivery to the final destination.

Warehousing Services
The logistics function provides warehousing and storage services. Revenue from providing these services is recognised in the accounting period in which the services are rendered. Some contracts include multiple deliverables. However, these are easily identifiable and are accounted for as separate performance obligations.

Trading Services
The Group performs freight forwarding and shipping agency services. Revenue is recognised over the time of delivery, being from the time of acceptance of the job to completion of the shipment. Revenue is recognised on a net basis after disbursements as the Group are acting as an agent for the customer.

For fixed priced contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is because the customer receives and uses the benefits of the service simultaneously.

Customers are invoiced on a daily, weekly or monthly basis and consideration is payable when invoiced. There are no significant financing arrangements for any of the Group's revenue streams. The Group does not offer any refunds or warranties.

The Group derives the following types of revenue:

	2021 $000	2020 $000
Freight	295,463	277,881
Warehousing	48,130	45,809
Trading	9,654	10,121
Total Revenue	**353,247**	**333,811**

Timing of revenue recognition	**June 2021 $000**	**June 2020 $000**
Over time	353,247	333,811
At a point in time	-	-
Total Revenue	**353,247**	**333,811**

b. Interest income
Interest income is recognised on a time-proportion basis using the effective interest method.

c. Dividend income
Dividend income is recognised when the right to receive payment is established.

d. Lease income
Lease income from operating leases where the Group is a lessor is recognised as rental income on a straight-line basis over the lease term.

e. Financing component
The Group does not expect to have any contracts where the period between the transfer of the promised service to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

f. Contract liability
The Group recognises a contract liability (deferred revenue) when the Group has received consideration for performance obligations yet to be fulfilled. The opening balance has been recognised in revenue in the current year. In the current year, there was $361,000 of revenue recognised relating to contract liabilities at the prior year end. The average timing of satisfaction of performance obligation in relation to the payment of the contract liability is between 1 and 5 days. Management expects that 100% of the revenue (transaction price) allocated to unsatisfied performance obligations as of 30 June 2021 will be recognised as revenue during the next reporting period ($504,000).

7. REVENUE & OTHER SOURCES OF INCOME (CONTINUED)

g. Government grants
Grants from the Government are recognised at their fair value where there is reasonable assurance that the grant will be received, and the Group will comply with the attached conditions.

COVID-19 wage subsidy grants of $267,000 (2020: $10,723,000) are included in the 'other income' line item. There are no unfulfilled conditions or other contingencies attached to these grants. The Group did not benefit directly from any other forms of government assistance. Government grants relating to income are deferred and recognised in profit or loss over the period necessary to match them with the conditions that they are intended to compensate.

8. OPERATING EXPENSES BY NATURE

	2021 $000	2020 $000
Transport costs [1]	136,891	132,718
Employee costs (note 8.1)	127,609	125,309
Property lease expenses	574	1,129
Operation lease expenses	2,885	3,985
Trading and warehousing expenses	5,021	6,002
Communications	5,860	4,892
Occupancy costs	6,654	6,118
Travel and accommodation	3,983	3,378
Bad debts	193	393
Foreign exchange loss	24	37
Remuneration paid to principal auditors (PwC)		
Assurance services		
Audit and review of financial statements, including associated disbursements	325	353
Non-assurance services		
Other advisory services related to:		
-Remuneration benchmarking	-	19
-Taxation services	38	-
Donations	18	20
Directors fees	430	398
Depreciation and amortisation	46,362	42,902
Impairment of investment in associates	95	440
Net change in contingent consideration and advisor costs	-	(225)
Non operating expenses[2]	1,413	104
Share based payments	57	-
Other expenses	4,968	4,638
Total operating expenses	**343,400**	**332,610**

[1] Includes costs relating to transportation including road user charges (RUC), fuel, tyres, repairs and maintenance, owner driver and subcontractor costs.

[2] Non operating expenses are shown net of PwC non assurance services of $38,000 in this note as required by NZ IFRS. Total non operating expenses including this amount are $1,451,000 (refer note 5).

8.1. EMPLOYEE COSTS

a. Superannuation benefits
The Group operates a defined contribution superannuation scheme. The scheme is funded through employee and Group contributions to a trustee-administered fund. The Group has no further payment obligations once contributions have been paid. Contributions are recognised as an employee benefits expense when they are due.

MOVE Freight Limited has a historic defined contribution company superannuation scheme that has been operating for a number of years. The Company has contribution rates from 4% - 10%.

Members contribute a minimum of 4% of their salary/wage and can go as high as 15%. The Company contributions are vested to the member at the rate of 20% per year of service with the Company i.e. 100% after five years of service.

b. Other employee benefits
Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave are expected to be settled within 12 months. They are measured at the amounts expected to be paid when the liabilities are settled.

c. Long service leave
The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Re-measurement as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

d. Profit-sharing and bonus plans
The Group recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

	2021 $000	2020 $000
Wages, salaries & leave costs	120,244	118,043
Superannuation fund contributions	2,979	2,806
Other employee related costs	4,386	4,460
Total	**127,609**	**125,309**

9. INCOME TAX EXPENSE

The tax expense for the year comprised current and deferred tax. Tax is recognised in the profit or loss component of the Statement of Profit or Loss & Other Comprehensive Income except to the extent that it relates to items recognised directly in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or equity respectively.
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income.

	2021 $000	2020 $000
Current tax on profit for the year	(1,463)	(1,760)
Adjustments in respect to prior years	(26)	(46)
Deferred tax	762	822
	(727)	**(984)**

9. INCOME TAX EXPENSE (CONTINUED)

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	2021 $000	2020 $000
Profit before income tax	2,031	3,495
Add back:		
Contingent consideration	-	(225)
Impairment of investment in associates	95	440
Share of loss of associates	149	86
Bargain on acquisition	-	(1,106)
	2,275	**2,690**
Prima facie tax (payable) at 28%	(637)	(753)
Tax effects of:		
Expenses not deductible	(64)	(185)
Prior year adjustment	(26)	(46)
Income tax expense	**(727)**	**(984)**

Imputation credits

	2021 $000	2020 $000
Imputation credits available for use in subsequent periods	7,560	5,028

Refer note 21 for subsequent events in relation to imputation credits.

10. DIVIDENDS PAID AND PROPOSED

Dividends to the company shareholders are recognised in the Group's financial statements in the period in which the dividends are declared.

No dividends have been declared or recognised in the current year (2020: nil).

11. EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is computed based on the weighted average number of ordinary shares outstanding during the period. Diluted EPS is computed based on the weighted average number of ordinary shares plus the effect of dilutive potential ordinary shares outstanding during the period.

	12 months to 30 June 2021	12 months to 30 June 2020
	$000	**$000**
Profit attributable to the owners for the year	869	2,015
Weighted average number of shares	87,684,882	87,363,352
	Cents	**Cents**
Basic & diluted earnings per share	0.99	2.31

12. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group classifies its financial assets at amortised cost. The classification depends on the purpose for which the financial assets are held. Management determines the classification of its financial assets at initial recognition.

Financial assets are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. The Group's financial assets comprise 'Trade and other receivables', 'Cash and cash equivalents' and 'Advances to associates' in the Balance Sheet. Financial assets that are stated at amortised cost are reviewed individually at balance date to determine whether there is objective evidence of impairment. Any impairment losses are recognised in profit or loss in the statement of comprehensive income.

This note provides information about the Group's financial instruments, including:

- An overview of all financial instruments held by the Group
- Specific information about each type of financial instrument
- Information about determining the fair value of the instruments, including judgements and estimations of uncertainty involved.

The Group holds the following financial instruments:

		AMORTISED COST	
Financial Assets	**Notes**	**2021 $000**	**2020 $000**
Cash and cash equivalents	12.1	13,214	11,882
Trade and other receivables[1]	12.2	48,239	42,039
Advances to associates	12.3	218	305
Total		**61,671**	**54,226**

[1] excluding prepayments

12. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Financial Liabilities	Notes	FINANCIAL LIABILITIES AT AMORTISED COST 2021 $000	2020 $000
Trade Payables[1]	12.4	30,425	26,031
Employee entitlements	12.5	12,524	14,208
Borrowings	12.6	70,163	86,263
Convertible note	12.7	8,229	–
Total		**121,341**	**126,502**

[1] excluding non-financial liabilities

The Group's exposure to various risks associated with the financial instruments is discussed in note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above, other than for trade and other receivables where the maximum credit risk is the balance before impairment, being $49,391,000 (2020: $44,991,000).

12.1. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Balance Sheet.

Cash and cash equivalents include the following for the purpose of the cash flow statement:

	2021 $000	2020 $000
Cash	13,214	11,882
Bank overdrafts (undrawn, refer note 3.3)	–	–
Total	**13,214**	**11,882**

12.2. TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for expected credit loss.

The Group assesses on a forward looking basis the expected credit losses associated with trade receivables carried at amortised cost. The Group applies the simplified approach permitted by NZ IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Impairment of trade receivables is recognised in profit or loss.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable has been impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

12.2. TRADE AND OTHER RECEIVABLES (CONTINUED)

	2021 $000	2020 $000
Trade receivables	47,290	43,642
Trade receivables related parties	128	98
Less expected credit loss (refer note 3.1(a))	(1,152)	(2,952)
Net trade receivables	**46,266**	**40,788**
Accrued revenue	1,476	717
Sundry receivables	497	534
Financial assets at amortised cost	**48,239**	**42,039**
Prepayments	1,515	1,672
Total trade and other receivables	**49,754**	**43,711**

Trade receivables are generally due for settlement within 30 to 90 days.

12.3. ADVANCES TO ASSOCIATES

	2021 $000	2020 $000
Eamonn Stephen Farrell	–	88
UNITE Logistics Limited[1]	218	217
Total	**218**	**305**

[1] The advance with UNITE Logistics Limited is due on demand and is non-interest bearing.

12.4. TRADE AND OTHER PAYABLES

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

	2021 $000	2020 $000
Trade payables	19,945	16,851
Trade payables related parties	164	181
GST payable	1,415	1,019
Lease incentive	461	121
Accrued expenses	9,855	8,878
Total	**31,840**	**27,050**

Trade payables are unsecured and are usually paid within 30 to 60 days of recognition.

12.5 EMPLOYEE ENTITLEMENTS

	2021 $000	2020 $000
Leave provision	8,587	8,343
Salary and wage accruals	3,937	5,865
Total	**12,524**	**14,208**

12.6. BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method. Any 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 reporting date.

Borrowing costs are expensed as incurred, unless they relate to the acquisition, construction or production of a qualifying asset in which case the borrowing costs are capitalised.

The ASB Bank Limited (ASB) facilities include a $65m revolving committed cash facility, an overdraft facility of $2m, a term loan of $1.5m and bank guarantee's totalling $10.8m (refer note 3.3).

	30 June 2021 $000	30 June 2020 $000
Non-Current		
Secured loan ASB	-	76,488
Secured loan Mainland Capital / De Lage Landen	5	64
Secured loan Toyota Finance	2,806	3,611
	2,811	**80,163**
Current		
Secured loan ASB	66,488	5,259
Secured loan Mainland Capital / De Lage Landen	59	72
Secured loan Toyota Finance	805	769
	67,352	**6,100**
Total secured borrowings	**70,163**	**86,263**

The ASB facilities are secured by way of a first ranking security over the Group's assets and undertakings.

Toyota Finance Limited holds a registered security over the motor vehicles that relate to the assets used as security for the ATL Limited acquisition.

The Group is required to comply with a number of financial covenants. These are as follows:

- Leverage Ratio of <3.5x
- Interest Cover Ratio of >3.0x
- Debt Service Cover Ratio of >1.2x
- Operating Leases Commitments for fleet & equipment are <$70m

The Group has fully complied with the reset covenants and undertakings to 30 June 2021.

Subsequent to year end, as a result of the 30 June 2022 expiry of its current facility with the ASB the Group has negotiated new facilities with ANZ Bank Limited (ANZ) and UDC Finance Limited (UDC). These facilities include:

- ANZ - $27.5m 3 year term loan facility
- ANZ - $5m overdraft facility
- ANZ - $10.8m bank guarantees
- UDC - $37.5m 5 year asset based loan

Based on forward looking forecasts and the financial covenants agreed with the ANZ and UDC the Group is expected to comply with the financial covenants for at least 12 months from the date of signing the financial statements. Accordingly, the consolidated financial statements are prepared on a going concern basis (refer note 21).

12.7 CONVERTIBLE NOTE

Convertible notes are comprised of two elements: a debt note liability component and an embedded derivative component. At the inception, the fair value of the host liability portion of the convertible notes is determined as being the difference between the proceeds and the fair value of any identifiable derivative contained within the note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the notes.

The fair value of the embedded derivative component is calculated through a valuation model using a variety of assumption, with the residual value assigned to the debt host components. The estimates and associated assumptions are based on various factors that are believed to be reasonable under the circumstances, the results for which form the basis of making the judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. No gain or loss on fair value changes is recognised on inception. Valuation of the embedded derivative is calculated at each year end, with any gain or loss recognised in the consolidated statement of comprehensive income.

The debt liability component is subsequently carried at amortised cost.

Embedded derivatives

Derivatives are initially recognised at fair value and are subsequently remeasured to their fair value at each reporting date.

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host (e.g. convertible notes). Derivatives embedded in hybrid contracts that are financial liabilities are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to the host contract and the host contract is not measured at fair value through profit or loss.

In May 2021 the Group issued $8.2m (2020: $0) of mandatory convertible notes. Each note has a principal amount of $50k with a maturity date of 30 April 2026. Note holders may elect to convert their notes prior to maturity however this cannot occur before 1 May 2023. Upon maturity all outstanding notes will be converted to shares at a variable rate based on a 10% discount to the market price.

Interest of 5% per annum is paid quarterly on the convertible notes.

The conversion option of the convertible note represents an embedded derivative which is separated from the debt host contract on initial recognition and measured through the profit and loss. The debt component is held at amortised cost and on initial recognition is offset by the fair value of the conversion element, this is incorporated in the effective interest which is recognised over the term of the convertible note.

The movement in the carrying value of the convertible notes liability is as follows:

	2021 $000	2020 $000
As at 1 July	-	-
Proceeds of issue of convertible note	8,200	-
Capitalised interest costs using the effective interest method	(832)	-
Fair value of embedded derivative liability at date of issue	27	-
As at 30 June	**7,395**	**-**

The movement in the carrying value of the convertible note derivative liability is as follows:

	2021 $000	2020 $000
As at 1 July	-	-
Fair value of embedded derivative liability at date of issue	832	-
Fair value movement	2	-
As at 30 June	**834**	**-**

12.8 RECOGNISED FAIR VALUE MEASUREMENTS

Fair value reflects the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial instruments are classified at either amortised cost or fair value through profit or loss.

Financial instruments which are measured subsequent to initial recognition at fair value are classified under the three-level hierarchy based on the level that the fair value is observable:

- Level 1: based on quoted prices in an active market for identical assets and liabilities
- Level 2: based on inputs other than quoted prices included with level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: based on valuation techniques that include inputs which are not observable

The following tables provide the fair value measurement hierarch of the Group's liabilities:

	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
At 30 June 2020				
Convertible notes - derivative	-	-	-	-
At 30 June 2021				
Convertible notes - derivative	-	-	834	834

For financial assets and liabilities measured at fair value at the end of the reporting period, limited to the derivative components of the convertible notes, the following table gives information about how the fair value was determined:

Financial asset and liability	Valuation technique and key inputs	Significant unobservable inputs	Relationship and sensitivity of unobservable inputs to fair value
Convertible notes - derivative	Valuation model based on market price, optimal conversion date and discount rate	The significant unobservable inputs are the current share price, expected conversion date and discount rate applied. The volume weighted average market price was valued at $1.11 as at 30 June 2021. The optimal conversion date used was 30 June 2023. This discount rate applied at 30 June 2021 was 4.5%.	The higher the volume weighted average market price the more valuable the options become. The convertible notes convert based a fixed discount on the share price at conversion. An increased in the market share price of plus or minus 10% would not have a notable impact of the contract due to the options converting at a fixed discount on market price.

13. NON-FINANCIAL ASSETS AND LIABILITIES

This note provides information about the Group's non-financial assets and liabilities, including specific information about each type of non-financial asset and non-financial liability:

- Property, plant and equipment (note 13.1)
- ROU assets and lease liabilities (note 13.2)
- Intangible assets (note 13.3)
- Deferred tax balances (note 13.4)
- Provisions for other liabilities and charges (note 13.5)

Impairment of non-financial assets
Goodwill, indefinite-life intangible assets and intangible assets that are not yet ready for use are tested annually for impairment. Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to dispose and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

13.1. PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on assets is calculated using the diminishing value (DV) or straight-line (SL) method.

	Years	Depreciation rate	Method
Plant and equipment - leasehold improvements	1 - 16	2.5% - 50%	SL/DV
Motor vehicles - trucks	0.5 - 14	-	SL
Motor vehicles - trailers	0.5 - 18	-	SL
Plant and equipment	1 - 30	7.5% - 67%	SL/DV
Motor vehicles - other	1 - 25	13% - 30%	SL/DV
Office equipment	1.5 - 14	8% - 67%	SL/DV
Furniture and fittings	0.5 - 14	4% - 67%	SL/DV
Leased assets	1 - 12	-	SL
Land and buildings		0% - 30%	DV

13.1. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The assets' useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Gains on disposal of assets' in the Statement of Profit or Loss & Other Comprehensive Income.

	Land and buildings $000	Motor vehicles $000	Office equipment and F&F $000	Plant and equipment $000	Work in progress $000	Total $000
At 1 July 2019						
Cost	604	156,138	4,278	20,727	801	182,548
Accumulated depreciation	(260)	(77,757)	(2,806)	(9,412)	-	(90,235)
Net book amount	**344**	**78,381**	**1,472**	**11,315**	**801**	**92,313**
Year ended 30 June 2020						
Additions	-	4,339	566	1,121	8,948	14,974
Acquisition of subsidiaries	-	5,008	73	61	-	5,142
Disposals	(23)	(1,497)	(1)	(101)	(4,394)	(6,016)
Transfers	-	1,972	6	1,004	(2,982)	-
Depreciation charge	(10)	(9,510)	(591)	(2,073)	-	(12,184)
Closing net book amount	**311**	**78,693**	**1,525**	**11,327**	**2,373**	**94,229**
At 1 July 2020						
Cost	580	163,383	4,918	22,879	2,373	194,133
Accumulated depreciation	(269)	(84,690)	(3,393)	(11,552)	-	(99,904)
Net book amount	**311**	**78,693**	**1,525**	**11,327**	**2,373**	**94,229**
Year ended 30 June 2021						
Additions	-	2,822	509	1,546	1,907	6,784
Acquisition of subsidiaries	-	203	-	-	-	203
Disposals	-	(781)	-	(24)	(45)	(850)
Transfers	-	2,218	63	1,634	(3,915)	-
Depreciation charge	(8)	(9,830)	(564)	(2,179)	-	(12,581)
Closing net book amount	**303**	**73,325**	**1,533**	**12,304**	**320**	**87,785**
At 30 June 2021						
Cost	580	155,944	5,491	25,788	320	188,123
Accumulated depreciation	(277)	(82,619)	(3,958)	(13,484)	-	(100,338)
Closing net book amount	**303**	**73,325**	**1,533**	**12,304**	**320**	**87,785**

13.2. ROU ASSETS AND LEASE LIABILITIES

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable and
- variable lease payments that are based on an index or a rate.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Right of use assets are measured at the amount equal to the lease liability, adjusted by the amount of any lease incentives received or restoration costs estimated. There were no onerous lease contracts that would have required an adjustment to the right of use assets at the date of initial application. These assets are subsequently depreciated using the straight-line method.

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 4.49% (2020: 4.48%).

The Group uses a build up approach that starts with a risk free interest rate adjusted to reflect changes in credit risk for leases held by the Group and then makes specific adjustments for lease terms.

During the year, the Group applied the following practical expedients:

- the accounting for operating leases with a remaining lease term of less than 12 months as short-term leases
- the use of historical experience in determining the lease term where the contract contains options to extend or terminate the lease
- recognising rental concessions obtained as a direct result of the COVID-19 pandemic as a reduction to rental expenses in the Statement of Profit or Loss and Other Comprehensive Income

The recognised right of use assets relate to the following types of assets:

Right of use assets	2021 $000	2020 $000
Opening net book value 1 July	170,029	-
Recognised on transition	-	177,992
Additions	25,723	17,818
Disposals	(2,015)	(149)
Modifications to leases	2,560	2,828
Depreciation for the period		
- Property	(20,510)	(17,851)
- Motor vehicles	(10,239)	(9,923)
- Other	(722)	(686)
Closing net book value 30 June	**164,826**	**170,029**
Cost	222,665	198,411
Accumulated depreciation	(57,839)	(28,382)
Net book value 30 June	**164,826**	**170,029**

13.2. ROU ASSETS AND LEASE LIABILITIES (CONTINUED)

Right of use assets	2021 $000	2020 $000
At 30 June		
Property	129,641	127,849
Motor vehicles	32,899	39,473
Other	2,286	2,707
Total right of use assets	**164,826**	**170,029**

Lease liabilities	$000
Opening lease liabilities at 1 July 20	173,482
Additions	27,158
Interest for the period	8,046
Lease payments made	(36,145)
Disposals	(4,501)
Modifications	3,488
Lease liabilities at 30 June 2021	**171,528**

Lease liabilities maturity analysis	Minimum lease payment $000	Interest $000	Present value $000
Within one year	34,509	7,199	27,310
One to five years	95,884	19,392	76,492
Beyond five years	80,748	13,022	67,726
Total	**211,141**	**39,613**	**171,528**
Current lease liabilities	34,509	7,199	27,310
Non-current lease liabilities	176,632	32,414	144,218
Total	**211,141**	**39,613**	**171,528**

Lease liabilities	2021 $000	2020 $000
At 30 June		
Current lease liabilities	27,310	25,882
Non-current lease liabilities	144,218	147,600
Total	**171,528**	**173,482**

13.2. ROU ASSETS AND LEASE LIABILITIES (CONTINUED)

Lease related expenses included in the Consolidated Statement of Profit & Loss & Other Comprehensive Income:

	2021 $000	2020 $000
For the year ended 30 June		
Depreciation	31,471	28,460
Short term lease	3,459	5,114
Interest on leases	8,046	7,947
Total	**42,976**	**41,521**

13.3. INTANGIBLE ASSETS

a. Goodwill

Goodwill represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired. Goodwill on acquisitions of subsidiaries is included in 'Intangible assets' in the Balance Sheet. Goodwill on acquisitions of associates is included in 'Investments in associates' in the balance sheet and is tested for impairment as part of the overall balance. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination on which the goodwill arose.

b. Computer software and Software-as-a-service (SaaS) arrangements

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised, using the diminishing value method at a rate of 48% and recognised in the profit or loss. Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

SaaS arrangements are service contracts providing the Company with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

c. Customer contracts and lists

Acquired customer contracts and lists are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line basis over six years. Amortisation expense is recognised in the profit or loss.

13.3. INTANGIBLE ASSETS (CONTINUED)

	Goodwill $000	Computer software $000	Work in progress $000	Customer lists $000	Total $000
At 1 July 2019					
Cost	15,020	3,776	–	10,132	28,928
Accum. amortisation and impairment	–	(1,530)	–	(3,489)	(5,019)
Net book amount	**15,020**	**2,246**	**–**	**6,643**	**23,909**
Year ended 30 June 2020					
Additions	–	31	2,160	–	2,191
Disposals	–	–	(21)	–	(21)
Transfers	–	(31)	31	–	–
Amortisation/impairment charge	–	(652)	–	(1,606)	(2,258)
Closing net book amount	**15,020**	**1,594**	**2,170**	**5,037**	**23,821**
At 1 July 2020					
Cost	15,020	3,777	2,170	10,132	31,099
Accum. amortisation and impairment	–	(2,183)	–	(5,095)	(7,278)
Net book amount	**15,020**	**1,594**	**2,170**	**5,037**	**23,821**
Year ended 30 June 2021					
Additions	–	62	314	–	376
Acquisition of subsidiaries	197	–	–	372	569
Transfers	–	1,063	(1,063)	–	–
Amortisation/impairment charge	–	(665)	(1,283)	(1,645)	(3,593)
Closing net book amount	**15,217**	**2,054**	**138**	**3,764**	**21,173**
At 30 June 2021					
Cost	15,217	4,902	138	10,505	30,762
Accum. amortisation and impairment	–	(2,848)	–	(6,741)	(9,589)
Closing net book amount	**15,217**	**2,054**	**138**	**3,764**	**21,173**

The Group has classified its goodwill into the following cash-generating units (CGUs):

	2021 $000	2020 $000
MOVE Freight Limited	1,027	1,027
Alpha Customs Limited	776	776
MOVE Logistics & Warehousing Limited	12,492	12,492
TNL International Limited	170	170
MOVE (McAuleys) Limited	555	555
TNL International Australia Pty Limited	197	–
Total	**15,217**	**15,020**

13.3. INTANGIBLE ASSETS (CONTINUED)

The Group tests goodwill for impairment using value in use calculations with cash flow projections based on a five-year period. Management has prepared an upside, downside and base scenario for each CGU. Each of these include the three years of Board approved cash flow projections with cashflows beyond this extrapolated using the assumptions as noted below. The final value in use calculations for each CGU apply an assessed probability weighting to the three scenarios.

Management exercises judgement in confirming the carrying value of goodwill, considering a wide range of inputs including the state of the industry and market movements. Management has concluded that there are no impairments for any of the CGUs at 30 June 2021. The MOVE Logistics & Warehousing Limited and MOVE Freight Limited CGU's have significant goodwill balances at 30 June 2021.

The key assumptions for the value in use calculations of MOVE Logistics & Warehousing Limited and MOVE Freight Limited CGU's are summarised below:

	Discount rate post-tax	Discount rate pre-tax	Terminal growth rate	Revenue growth rate year 1*	Revenue growth rate year 2*	Revenue growth rate year 3 - 5*
30 June 2020						
MOVE Logistics & Warehousing Limited	9.1%	10.2%	1.7%	2.1%	3.0%	1.9% - 2.0%
MOVE Freight Limited	9.5%	11.0%	1.7%	0.6%	7.6%	0.0% - 5.2%
30 June 2021						
MOVE Logistics & Warehousing Limited	9.5%	11.6%	2.0%	5.3%	2.8%	0.0% - 2.0%
MOVE Freight Limited	9.5%	12.0%	2.0%	2.7%	5.6%	0.0% - 5.6%

*Probability weighted

The discount rate represents the current market assessment of the risks specific to the CGU considering the time value of money and individual risk of the underlying assets. The discount rate is calculated based on the specific circumstances of the CGU and its operations and is derived from its weighted average cost of capital (WACC). The Group engaged an independent third party to assess the post-tax weighted average cost of capital for each of the CGUs. These post-tax discount rates were applied to post-tax cash flows.

The long-term growth rate is based on growth in GDP, market conditions and opportunities for growth within the industry and is in line with the mid-point between long term GDP predictions and inflation (as measured by the consumer price index).

The net right of use assets and lease liabilities have been included in the carrying amount of net operating assets that have been tested for impairment for each of the CGUs.

Future revenue projections are based on assumed growth in sales to fill the additional capacity as a result of the new warehouses and opportunities for growth in new and existing customers. Management have confidence in the strategy to achieve this given the opportunities both internally and the demand within the market.

Based on the probability weighted value in use calculations, the recoverable amounts of the CGUs exceed their carrying value at 30 June 2021 by the following amounts:

- MOVE Logistics & Warehousing Limited CGU: $25.1m
- MOVE Freight Limited CGU: $31.5m

In respect of the MOVE Logistics & Warehousing Limited and MOVE Freight Limited CGU's any reasonable possible change in the key assumptions used in the calculations would not cause the carrying values to exceed their recoverable amounts.

Management has concluded that the goodwill balances at 30 June 2021 are not impaired (either using the probability weighted case or any of the individual scenarios), although they will continue to monitor the position closely for any evidence that the goodwill has become impaired.

13.4. DEFERRED INCOME TAX

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Temporary differences arise from the following:

Deferred tax (liabilities)	Opening balance	Recognised in profit or loss	Acquisition of subsidiaries	Closing balance
	$000	$000	$000	$000
2020				
Property, plant and equipment	(6,528)	(778)	(355)	(7,661)
Right of use assets / lease liability	–	967	–	967
Provisions and accruals	2,426	633	39	3,098
Carry forward losses	–	–	256	256
Total deferred income tax	**(4,102)**	**822**	**(60)**	**(3,340)**
2021				
Property, plant and equipment	(7,661)	(347)	(104)	(8,112)
Right of use assets / lease liability	967	909	–	1,876
Provisions and accruals	3,098	200	–	3,298
Carry forward losses	256	–	–	256
Total deferred income tax	**(3,340)**	**762**	**(104)**	**(2,682)**

13.5. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

Provisions for make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of Management's best estimate of the expenditure required to settle the present obligations at the end of the reporting period.

	Make good lease provision	Legal claim provision	Total
	$000	$000	$000
At 1 July 2019	**767**	**–**	**767**
Additional provisions	1,581	294	1,875
Released to profit or loss	(35)	–	(35)
At 30 June 2020	**2,313**	**294**	**2,607**
At 1 July 2020	2,313	294	2,607
Additional provisions	298	–	298
Utilised / released to profit or loss	(156)	(294)	(450)
At 30 June 2021	**2,455**	**–**	**2,455**

a. Information about individual provisions and significant estimates

Make good lease provision
The Group is required to restore the leased premises of its depot and warehouses to their original condition at the end of the respective lease terms. A provision has been recognised for the estimated expenditure required.

14. SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax from the proceeds.

	30 June 2021		30 June 2020	
	Shares	$000	Shares	$000
Issued & paid-up capital - ordinary shares				
Balance at the beginning of the period	87,684,882	37,054	86,347,608	35,449
Shares issued - dividend reinvestment plan	–	–	1,337,274	1,605
Balance at the end of the period	**87,684,882**	**37,054**	**87,684,882**	**37,054**

15. CASH FLOW INFORMATION

15.1 CASH GENERATED FROM OPERATIONS

	2021 $000	2020 $000
Reported profit after tax	1,304	2,511
Non-cash items		
Gain on lease modification	(121)	-
Depreciation expense	44,051	40,644
Amortisation expense	2,311	2,258
Bad debts	193	393
Amortisation of bank fees	168	287
Contingent consideration	-	(225)
Bargain on acquisition	-	(1,106)
Impairment of investment in associates	95	440
Foreign exchange losses on operating activities	24	37
Non trading expenses	1,283	-
Share based payments	57	-
Cumulative translation adjustment	(9)	-
	49,356	**45,239**
Impact of changes in working capital		
Tax receivable / deferred tax	(1,776)	(200)
Trade and other receivables	(4,650)	9,681
Creditors and accruals/employee entitlements	1,291	(12,092)
Creditors relating to purchase of PPE	(547)	(1,545)
Inventories	13	234
	43,687	**41,317**
Items classified as investing or financing activities		
Profit on disposal of property, plant and equipment	(617)	(547)
Loss for associates	149	86
Net cash flow from operating activities	**43,219**	**40,856**

15.2 NET DEBT RECONCILIATION

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	2021 $000	2020 $000
Cash and cash equivalents	13,214	11,882
Lease liability - repayable within one year	(27,310)	(25,882)
Borrowings - repayable within one year (including overdraft)	(67,352)	(6,100)
Lease liability - repayable after one year	(144,218)	(147,600)
Borrowings - repayable after one year	(2,811)	(80,163)
Convertible note - repayable after one year	(8,229)	-
Net debt	**(236,706)**	**(247,863)**
Cash and liquid investments	13,214	11,882
Liability - incremental borrowing rate	(171,528)	(173,482)
Borrowings - fixed interest rates	(31,905)	(24,517)
Borrowings - variable interest rates	(46,487)	(61,746)
Net debt	**(236,706)**	**(247,863)**

	Liabilities from financing activities					
	Convertible note	Borrowings	Leases	Subtotal	Cash/bank overdraft	Total
	$000	$000	$000	$000	$000	$000
Net debt as at 1 July 2019		**(84,317)**	**-**	**(84,317)**	**6,389**	**(77,928)**
Recognised on adoption of NZ IFRS 16	-	-	(176,191)	(176,191)	-	(176,191)
Cash flows	-	2,971	22,956	25,927	5,493	31,420
Acquisitions	-	(4,629)	-	(4,629)	-	(4,629)
Lease additions	-	-	(17,841)	(17,841)	-	(17,841)
Other non-cash movements	-	(288)	(2,406)	(2,694)	-	(2,694)
Net debt as at 30 June 2020	**-**	**(86,263)**	**(173,482)**	**(259,745)**	**11,882**	**(247,863)**
Cash flows	(8,200)	16,242	36,145	44,187	1,332	45,519
Lease additions	-	-	(27,158)	(27,158)	-	(27,158)
Other non-cash movement	(29)	(142)	(7,033)	(7,204)	-	(7,204)
Net debt as at 30 June 2021	**(8,229)**	**(70,163)**	**(171,528)**	**(249,920)**	**13,214**	**(236,706)**

16. INTEREST IN OTHER ENTITIES

16.1 SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2.1. All subsidiaries are incorporated in New Zealand.

All subsidiaries results up to 30 June 2021 have been incorporated in the consolidated financial statements.

Subsidiary	Formerly named[1]	Shareholding 30 June 2021	Shareholding 30 June 2020	Balance date	Principal activity
MOVE Freight Limited	TIL Freighting Limited	100%	100%	30 June	Transport operator
MOVE Fuel Limited	Pacific Fuel Haul Limited	100%	100%	30 June	Transport operator
Alpha Custom Services Limited	–	60%	60%	30 June	International freight forwarder
Pacific Asset Leasing Limited	–	100%	100%	30 June	Asset leasing
MOVE International Limited	Hookers Shipping Limited	100%	100%	30 June	Shipping agent and logistics
MOVE (McAuleys) Limited	McAuley's Transport Limited	100%	100%	30 June	Transport operator
MOVE Logistics & Warehousing Limited	MOVE Logistics Limited	100%	100%	30 June	Warehousing and distribution
Southern Fleet Leasing Limited	–	100%	100%	30 June	Asset leasing
MOVE (NZL) Limited	NZL Group Limited	100%	100%	30 June	Warehousing and distribution
TNL International Limited	–	50%	50%	30 June	International freight forwarder
Appian Transport Limited	–	100%	100%	30 June	Non trading
Global Logistics Group Limited	–	100%	100%	30 June	Non trading
MOVE Specialist Lifting and Transport Limited	Specialist Lifting and Transport Group Limited	100%	100%	30 June	Heavy Haulage
TNL Logistics Limited	–	100%	100%	30 June	Non trading
Transport Nelson Limited	–	100%	100%	30 June	Non trading
MOVE Investments Limited	Transport Investments Limited	100%	100%	30 June	Corporate services
Pacific Liquid Logistics Limited	–	100%	100%	30 June	Non trading
MOVE (ATL) Limited	ATL Limited	100%	100%	30 June	Transport operator
TNL International (Australia) Pty Limited	–	40%	23.75%	30 June	International freight forwarder

[1] Name changes occurred on 27th July 2021 (refer note 21).

16.2 INTERESTS IN ASSOCIATES

Set out below are the associates of the Group as at 30 June 2021 which, in the opinion of the Directors, are material to the Group. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

	Place of business/ country of incorporation	% of ownership interest		Nature of relationship	Measurement method	Investment in associates	
		2021	2020			2021 $000	2020 $000
UNITE Logistics Limited[1]	New Zealand	50%	50%	Associate	Equity method	88	353
Emerald Truck Services Limited[2]	New Zealand	50%	33.3%	Associate	Equity method	329	225
Total						**417**	**578**

[1] UNITE Logistics Limited is a transport services provider for the Auckland and surrounding area's construction industry, specialising in crane transport. This service complements the Group's current transport services. The balance date for this entity is March.

[2] Emerald Truck Services Limited is an automotive repair workshop based in Masterton specialising in trucks and trailers. This service is strategic to the Group given the material amount spent on repairs and maintenance. The balance date for this entity is June.

The Group's results of its principal associates, all of which are unlisted, and total assets (including goodwill) and liabilities, are as follows. The Group equity accounts for these associates based on management reporting for the year end to 30 June (the Group's balance date).

	UNITE Logistics Limited		Emerald Truck Services Limited	
	2021 $000	2020 $000	2021 $000	2020 $000
Summarised balance sheet				
Current assets	946	928	900	749
Non-current assets	1,643	2,064	441	491
Current liabilities	955	807	380	299
Non-current liabilities	1,694	1,785	143	154
Net assets	**(60)**	**400**	**818**	**787**
Summarised statement of comprehensive income				
Revenue	7,076	6,752	2,895	3,356
Profit after tax from continuing operations	(340)	(136)	31	97
Investment carrying amount reconciliation				
Opening balance	353	876	225	193
Dividends received	–	–	–	–
Consolidation of associate	–	–	–	–
Acquisition	–	–	88[1]	–
Impairment of investment	(95)	(309)	–	–
Earnings from associates	(170)	(214)	16	32
Closing balance	**88**	**353**	**329**	**225**

[1] On 10 July 2020, as a result of the shareholder default McAuley's Transport Limited signed a buyout agreement of one of the shareholders of Emerald Truck Services Limited. From 10 July 2020 McAuley's Transport Limited holds 50% of the shares in Emerald Truck Services Limited and the consideration for the additional 17% shareholding was transacted in exchange for the settlement of the outstanding shareholder loan

16.2 INTERESTS IN ASSOCIATES (CONTINUED)

MOVE Logistics Limited as part of its investment in UNITE Logistics Limited has provided the Bank of New Zealand a guarantee for $500,000 plus one years interest in relation to the loan facility held by UNITE Logistics Limited.

Impairment of associates

UNITE Logistics Limited
During the year, UNITE Logistics Limited continued to be negatively impacted by COVID-19. As a result of its poor performance and the ongoing uncertainty regarding its financial performance, Management have assessed that the recoverable amount was below the carrying amount of its investment. As such there was an impairment loss recorded.

17. CONTINGENCIES

Bank Guarantee
The Group provides (via ASB Bank) the below guarantees.

	2021 $000	2020 $000
Bank guarantees - property	6,187	2,787
Bank guarantees - fuel purchases	4,500	4,500
Bank guarantees - other	75	75
Total	**10,762**	**7,362**

18. CAPITAL COMMITMENTS

Capital expenditure contracted for at the reporting date but not yet incurred is as follows:

	2021 $000	2020 $000
Trucks and trailers	359	-
Other assets	122	417
Total	**481**	**417**

19. RELATED-PARTY TRANSACTIONS

19.1 TRANSACTIONS WITH KEY MANAGEMENT

a. Key management compensation

Key management includes Directors, the CEO and his direct reports:

	2021 $000	2020 $000
Salaries, short term and post employee benefits	3,474	2,848
Directors fees	430	398

19.2 TRANSACTIONS WITH OTHER RELATED PARTIES

The following transactions occurred with related parties:

	2021 $000	2020 $000
Sales and purchases of goods and services		
Sales of services to associates	814	988
Purchases of services from associates	1,986	2,821
Purchases from entities controlled by key management employees	140	123

	2021 $000	2020 $000
Outstanding balances arising from sales and purchases of services		
Trade receivables	128	98
Trade payables	164	181

The Group determines the above balances are fully collectible.

	2021 $000	2020 $000
Advances to related parties		
UNITE Logistics Limited	217	217
Eamonn Stephen Farrell	-	88

20. SHARE BASED PAYMENTS

Share-based payment reserve
The Group currently has a long-term incentive plan for selected employees. The plan's participants are members of the Executive team. The reserve is used to record the accumulated value of the plan which has been recognised in the Statement of Profit or Loss & Other Comprehensive Income. The long-term incentive plan is an equity settled-share-based payment which provides eligible employees with the opportunity to acquire shares in the Group. The fair value of shares granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the vesting period. The fair value of the plan has been assessed by an independent valuer.

Amounts accumulated in the employee share scheme reserve are transferred to share capital on redemption of the redeemable shares or to retained earnings where they are forfeited. At the end of each reporting period the Group revises its estimate of the number of redeemable shares that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to the employee share scheme reserve.

Employee Long Term Incentive Plan
The establishment of the MOVE Logistics Group Long Term Incentive Plan was approved by the Directors on 1 July 2020. The Employee Option Plan is designed to provide long-term incentives for Executives to deliver long-term shareholder returns and to reward and retain key employees. Under the plan, participants are granted options which only vest if certain performance standards are met. Participation in the plan is at the board's discretion, and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. If an employee participates in the scheme, the value of the options received is part of the total remuneration, which is calculated relative to the market based remuneration relevant for their role.

20. SHARE BASED PAYMENTS (CONTINUED)

The amount of options that will vest depends on MOVE Logistics Group total shareholder returns (TSR) during a three year vesting period greater than the 50th percentile of the NZX50 Group. The NZX50 Group compromises those companies on commencement date. Once the hurdle is exceeded, the Share Rights that become Eligible Share Rights increase on a straight-line basis from 50% being payable where the TSR is greater than the 50th percentile TSR of the NZX50 Group to 100% where the TSR is equal to or greater than the 75th percentile TSR of the NZX50 Group. Once vested, the options remain exercisable during the exercise period which will be advised on an eligibility notice.

Options are granted under the plan for no consideration and carry no dividends or voting rights.

The exercise price of options is based on the weighted average price at which the company's shares are traded on the New Zealand Stock Exchange for the prior 10 days up to and including the commencement date.

Set out below are summaries of options granted under the plan:

	Average exercise price per share option	Number of options
As at 30 June 2019	–	–
Granted during the year	–	–
Forfeited during the year	–	–
As at 30 June 2020	**–**	**–**
Vested and exercisable at 30 June 2020	–	–
As at June 2020	–	–
Granted during the year	–	920,966
Forfeited during the year	–	(39,180)
As at 30 June 2021	$0.90	**881,786**
Vested and exercisable at 30 June 2021	–	–

Share options outstanding at 30 June have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price	Share options 30 June 2021	Share options 30 June 2020
9 October 2020 (2019 LTI)	30 June 2022	$1.33	284,615	–
9 October 2020 (2020 LTI)	30 June 2023	$0.70	597,171	–
Total			**881,786**	**–**
Weighted average remaining contractual life of options outstanding at end of period			2.0 years	–

20. SHARE BASED PAYMENTS (CONTINUED)

Fair value of options granted
The assessed fair value at grant date of options granted during the year ended 30 June 2021 were $0.03 (expiry 30 June 2022) and $0.26 (expiry 30 June 2023) per option (2020: -). The fair value at grant date is independently determined using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the share price at grant date and the expected volatility of the underlying share, the expected dividend yield, the risk free rate for the term of the option, and the correlations and volatilities of the peer group companies

The model inputs for options granted during the twelve months ended 30 June 2021 included:

- options are granted for no consideration and vest based on MOVE Logistics Group TSR ranking within a peer group of 50 selected companies over a three year period
- exercise price - 2019 LTI: $1.33 and 2020 LTI: $0.70 (2019: nil)
- grant date - 9 October 2020 (2019: nil)
- expiry date – 2019 LTI: 30 June 2022 and 2020 LTI: 30 June 2023 (2019: nil)
- share price at grant date - $0.71 (2019: nil)
- expected volatility of the company's shares - 27.9% (2019: nil)
- expected dividend yield - $0.05 per share (2019: nil)
- risk free interest rate – 2019 LTI: .15% and 2020 LTI: .11% (2019: nil)

The expected price volatility is based on the historical volatility (based on the remaining life of the options).

Expenses arising from share-based payment transactions
Total expenses arising from share-based payment transactions recognised during the period as part of the employee expenses were as follows:

	June 2021 $000	June 2020 $000
Options issues under employee option plan	57	–
	57	**–**

Subsequent to 30 June 2021 280,648 shares totalling $50,919 (of which $17,932 were expensed in the year to 30 June 2021) have been forfeited due to an employee resignation.

21. EVENTS AFTER THE REPORTING DATE

On 1 July 2021 Chris Dunphy was appointed to the Board of Directors. On 27 July 2021 he assumed the role of Executive Director following the resignation of the Group CEO on 20 July 2021.

On 2 July 2021 there was a significant shareholder sell down which resulted in a forfeit of imputation credits of $4,794,000 due to the change in shareholding continuity.

On 26 July 2021 the Group settled its new funding arrangement with ANZ bank and UDC Finance including bank guarantees (refer note 12).

On 27 July 2021 Mark Newman was appointed to the Board of Directors.

On 27 July 2021 the Group re-branded and changed its legal name to MOVE Logistics Group Limited (including subsidiaries). There was no change to business operations disclosed in note 1 & 16.

On 17 August 2021 the New Zealand Government reinstated Covid-19 Alert Level 4 for the whole of New Zealand. The Alert Level 4 settings are applicable to the Auckland region until 31 August 2021 and for the rest of New Zealand until 27 August 2021. In response to the change in Alert levels, the majority of the Group's operations continue to trade although at reduced levels while in compliance with the New Zealand Government's requirements. The full financial impact on the Group is unknown at this stage however based on prior lockdowns and information available at present it is not deemed to have a material impact on the 30 June 2021 reported results.

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Independent auditor's report

To the shareholders of MOVe Logistics Group Limited (formerly known as TIL Logistics Group Limited)

Our opinion

In our opinion, the accompanying consolidated financial statements of MOVe Logistics Group Limited (formerly known as TIL Logistics Group Limited) (the Company), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 30 June 2021, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated balance sheet as at 30 June 2021;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other services for the Group in the area of taxation advisory services. The provision of these other services has not impaired our independence as auditor of the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

pwc

Description of the key audit matter	How our audit addressed the key audit matter
Goodwill impairment test As at 30 June 2021, the Group had a total goodwill balance of $15.2m, as disclosed in note 13.3. This is allocated across six cash generating units (CGUs). MOVe Logistics and Warehousing and MOVe Freighting are the two largest CGUs representing $13.5m of the balance. Accordingly, our procedures were focused on these CGUs. Management performed value-in-use (VIU) impairment tests at 30 June 2021 using a discounted cash flow model based on probability-weighted forecast cash flows for both these CGUs and determined that there was no impairment of goodwill required. Key estimates and assumptions in the VIU models include the discount rates and long-term growth rates used in the impairment model The goodwill impairment tests for the MOVe Freighting and MOVe Logistics and Warehousing CGUs are considered a key audit matter due to the significant level of management judgement applied in estimating future cash flows and other key assumptions in determining the recoverable amount of these CGUs.	We obtained the impairment tests prepared by Management and understood the process undertaken to prepare the forecasts and the assumptions used. We considered management's assessment of the respective CGUs in the Group and the allocation of corporate assets to the CGUs. We gained an understanding of the current and forecast outlook for the industry and CGUs and for the strategic direction of the business. Our understanding was facilitated by meetings with management during the year. We benchmarked the forecasts used within the impairment models against historical actual trading results, taking into account the impact of the Covid-19 pandemic to assess that growth rates used in the model were reasonable. We assessed the reliability of management's forecasting process in previous years and considered the impact on the assessment of forecast earnings. We ensured the mathematical accuracy of the models used ensuring that they utilised the assumptions disclosed and that the recoverable amount calculated was greater than the carrying amount of the CGU. We engaged an auditor's expert to assist us in assessing and challenging whether the assumptions used in the model were reasonable.The key areas assessed included: ● the valuation methodology used; ● the reasonableness of the discount rate; and ● comparing inputs to relevant market and industry information. We audited the disclosures in note 13.3 of the consolidated financial statements to ensure that they are compliant with the requirements of the relevant accounting standards. From our procedures performed, we have no matters to report.

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Description of the key audit matter	How our audit addressed the key audit matter
Accounting for the convertible note The Group issued a mandatory convertible note in May 2021 resulting in a cash inflow of $8.2m. As at 30 June 2021, the Group recognised a liability of $7.4m and a derivative financial instrument of $0.8m to reflect the terms of the convertible note. As described in note 12.7, the convertible note includes a number of features including an early conversion option and conversion at a discount to the weighted average share price on conversion. In accordance with NZ IAS 32 Financial Instruments: Presentation, the instrument was deemed to include an embedded derivative. NZ IAS 32 requires any derivative that is not closely related to the host contract to be bifurcated from the instrument and fair valued. The residual amount of the proceeds is then accounted for as a liability at amortised cost. Management engaged a valuations expert to fair value the embedded derivative at initial recognition and at period end. The accounting for the convertible note is considered a key audit matter as the recognition and valuation of embedded derivatives in host contracts is technically complex and involves significant management judgement.	We performed a detailed assessment of the accounting for the convertible note, with the involvement of our technical accounting specialists, by: • obtaining the convertible note deed and assessing the key terms in the agreement, including considering any terms that indicated the existence of an embedded derivative. • considering whether the embedded derivative identified was closely related to the host contract and whether the derivative portion of the instrument required bifurcation. We obtained management's valuation of the derivative instrument and engaged our auditor's valuation expert to assist us in considering the valuation methodology applied and in assessing whether the valuations at initial recognition and at period end are reasonable by reperforming the calculations using an alternative approach. We assessed the competence, independence and objective of management's valuations expert. We ensured that the residual portion of the instrument was recognised as an other financial liability at amortised cost separately from the derivative. We reviewed the disclosures in the financial statements to ensure compliance with NZ IFRS requirements. From our procedures performed, we have no matters to report.

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Our audit approach

Overview

Overall group materiality: $1.5 million, which represents approximately 2.5% of reported earnings before tax, finance costs, depreciation and amortisation, share of loss of associates and impairment of investment in associates and other non-operating expenses (EBITDA) as reported in Note 5.

We chose EBITDA as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark.

- Full scope audits were performed for 4 of 15 entities in the Group based on their financial significance;
- Specified audit procedures and analytical review procedures were performed on the remaining entities.

As reported above, we have two key audit matters, being:

- Goodwill impairment test
- Accounting for the convertible note

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality
The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

How we tailored our group audit scope
We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industries in which the Group operates.

The scope of our audit and the nature, timing and extent of audit procedures performed were determined by our risk assessment, the financial significance of components and other qualitative factors (including history of misstatement through fraud or error).

We performed audit procedures over components considered financially significant in the context of the Group (full scope audit) or in the context of individual primary statement account balances (audit of specific account balances). We performed other procedures including analytical review procedures to address the risk of material misstatement in the residual components.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the Directors for the consolidated financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability 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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are 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 ISAs (NZ) and ISAs 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 these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board's website at:

https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Maxwell John Dixon.

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants Auckland
25 August 2021

ADDITIONAL STATUTORY INFORMATION

REMUNERATION

REMUNERATION OF DIRECTORS

The total pool of Directors' Fees available to non-executive Directors for the year ended 30 June 2021 was $750,000, which was approved by shareholders at the 2017 Special Meeting of Shareholders. Of this, $430,000 was paid to non-executive Directors in FY21.

The table below sets out the total of the remuneration and the value of other benefits received by each Director during the financial year to 30 June 2021. The Board Charter provides that no sum is paid to a Director upon retirement or cessation of office.

Director	Board Fees	Risk Assurance and Audit Committee Fees	Governance & Remuneration Committee Fees	Total Directors fees FY21
Trevor Janes	130,000	-	-	130,000
Lorraine Witten	70,000	10,000	-	80,000
James Ramsay	70,000	-	-	70,000
Peter Dryden[1]	70,000	-	1,667	71,667
Danny Chan[1]	70,000	-	8,333	78,333
Total	410,000	10,000	10,000	430,000

[1] On 1 May 2021 Peter Dryden replaced Danny Chan as Chair of the Governance and Remuneration Committee.

EMPLOYEE REMUNERATION

Executive remuneration framework

MOVE's executive remuneration policies and practices are designed to attract, retain and motivate high calibre people.

The Board has reviewed and benchmarked executive remuneration with the assistance of external independent advice. Executive remuneration comprises a fixed component, and a short term incentive component (STI) and a long term incentive component(LTI). The value of any award under the LTI is treated as part of total remuneration, which is calculated by reference to the benchmarking advice.

Short term incentive plan

Participation in the STI plan is by annual invitation at the discretion of the Board. Target levels of STI opportunity range from 25% to 50% of base salary, depending on the role of the executive and includes both financial and non-financial components. For the CEO in FY21 the target was 25% of base salary.

For the Group CEO, the financial component of the STI is based on Group EBITDA. For Corporate Executives, the financial component of the STI is based on Group EBITDA. For Executives operating specific divisions, the financial target is based on their divisional EBITDA and Group EBITDA.

Long Term Incentive Plan

The Company has established a Long Term Incentive Plan (LTI or Plan) under the TIL Logistics Group Limited-Long Term Incentive Plan Rules dated 1 July 2020. The Plan is designed to align employee remuneration with financial outcomes for shareholders over the longer term.

The Plan is a share rights scheme and participation in any year is by annual invitation at the discretion of the Company. Under the Plan participants are offered share rights for nil consideration. If the performance hurdles set by the Company are met, and the relevant employee remains employed by the Company for minimum period of three years, the employee is entitled to be issued one ordinary share in the Company for each share right that vests.

In November 2020, the Company made grants of share rights to certain employees in respect of the 2019 year and the 2020 year. The sole performance criteria is total shareholder return over a three year period relative to the NZX50. The relative TSR performance and resulting vesting entitlements are as set out below:

Relative TSR Percentile	Percentage vesting entitlement
Below 50th percentile	Nil
50th percentile	50%
Above 50th percentile to 75th percentile	50%-75% linear pro rata
At 75th percentile or above	100%

There were 297,998 share rights issued in respect of 2019 with a vesting date of 30 June 2022. There were 622,968 share rights issued in respect of 2020 with a vesting date of 30 June 2023. As no vesting date has yet been reached, all share rights remain invested (other than those which have lapsed due an employee no longer being employed)..

CEO REMUNERATION DISCLOSURE

The CEO's remuneration as at 30 June 2021, consisted of a base salary, a Short Term Incentive (STI) and a Long Term Incentive (LTI). The CEO's remuneration is reviewed annually by the Governance and Remuneration Committee and approved by the Board.

	Fixed Remuneration			Pay for Performance			Total earned during FY
	Salary	Benefits**	Subtotal	STI earned in FY*	Value of LTI vested in FY	Subtotal	Total Remuneration
	$	$	$	$	$	$	$
FY21	510,000	82,146	592,146	98,500	-	98,500	690,646
FY20	501,500	53,310	554,810	-	-	-	554,810

* STI payable in the financial year following the achievement of performance targets in respect of the prior financial year, as agreed with the Board

** Benefits include company car and Kiwisaver employer contributions

Alan Pearson's remuneration in the financial year to 30 June 2021 was a mix of base salary and short and long term incentive plan components. The base salary was $510,000. During the financial year Alan received $98,500 which was a short term incentive payment in respect of the FY2020 year. Alan's potential short term incentive plan payment for FY21 was 25% of base salary, or $127,500. No short term incentive has been or will be paid in respect of FY2021.

On 2 November 2020, Alan was granted 280,648 performance share rights under the Company's long term incentive plan which is described further below. Of these, 95,865 related to the 2019 financial year, and 184,783 related to the 2020 financial year. The 95,865 share rights related to the 2019 financial year had a face value of $127,500, based on the volume weighted average share price of $1.33 in the ten trading days prior to 1 July 2019. The 184,783 share rights related to the 2020 financial year had a face value of $127,500, based on the volume weighted average share price in the ten trading days prior to 1 July 2020 of $0.69. Upon his resignation, all of these share rights lapsed. No performance share rights were issued to Alan in respect of the 2021 financial year.

Employee Remuneration

The number of employees of the Company (not being directors of the Company) who received remuneration and other benefits in their capacity as employees during the year ended 30 June 2021 that in value was or exceeded $100,000 per annum is set out in the table below. The remuneration amounts include all monetary amounts and benefits actually paid during the year, including the face value of any long- term incentives that vested during the year (which for FY21 was nil).

Remuneration	No. of Employees
$100,000 - $109,999	80
$110,000 - $119,999	82
$120,000 - $129,999	54
$130,000 - $139,999	31
$140,000 - $149,999	9
$150,000 - $159,999	2
$160,000 - $169,999	3
$170,000 - $179,999	5
$180,000 - $189,999	1
$190,000 - $199,999	2
$200,000 - $209,999	2
$210,000 - $219,000	1
$240,000 - $249,999	1
$250,000 - $259,000	1
$300,000 - $309,999	1
$320,000 - $329,999	1
$330,000 - $339,999	1
$340,000 - $349,999	1
$410,000 - $419,999	1
$690,000 - $699,999	1

DISCLOSURES

DIRECTORS

The following persons were Directors of MOVE Logistics Group Limited as at 30 June 2021:

Director	
Trevor Janes	Independent Chairman
Lorraine Witten	Independent Director
James Ramsay	Non-independent Director
Danny Chan	Independent Director
Peter Dryden	Independent Director

- Christopher Dunphy was appointed to the Board on 1 July 2021.
- Mark Newman was appointed to the Board on 27 July 2021.

DISCLOSURE OF INTERESTS BY DIRECTORS

In accordance with Section 140(2) of the Companies Act 1993 the Company maintains an interests register in which Directors interests are recorded. The following are particulars of general disclosures of interest by Directors holding office at 30 June 2021. Particulars of entries made during the year to 30 June 2021 are noted in brackets, for the purposes of section 211(1)(e) of the Companies Act 1993.

Director	Name of Business or Entity	Nature of Activities of that Business or Entity	Nature and Extent of Your Interest
Trevor Janes	NZ Regco	NZX Regulator	Chair
Lorraine Witten	PushPay Limited	Software Company	Director
	Rakon Limited	Global Technology Business	Director, and Shareholder
	vWork Limited	Software for Mobile Workforce	Chair and Shareholder
	Simply Security	Security Guard Services	Chair and Shareholder
	Horizon Energy Group	Energy Distribution Company	Director and Chair of Audit and Risk
Danny Chan	Farmers Mutual Group (retired by rotation 21 August 2020)	Insurance	Director
	SimTutor Limited	e-learning	Director/Shareholder
	Superthriller Jet Sprint Limited	Entertainment	Shareholder
	Fastcom Limited	IT Services	Shareholder
	iMonitor Intellectual Property Ltd	Temperature Monitoring	Shareholder
	The Digital Café Limited	Digital Promotion/Marketing	Shareholder
	Flowerzone International Ltd	Flower Exporter	Director/Shareholder
	Marlborough Wine Estates Group Ltd	Wine Manufacturer	Director
	Orient Pacific Management Limited	Financial Services	Director/Shareholder
James Ramsay	Bowker Holdings 99 Ltd	Investment	Director
	Hooker Bros (2019) Limited	Investment	Director/Shareholder
Peter Dryden	BGI Nominees Limited	Property	Director/Shareholder
	Port Taranaki Limited	Port Operator	Director
	Aquafortus Limited	Chemical Company	Director

No entries were made in the interests register of any subsidiary companies during the year ended 30 June 2021.

DIRECTORS' SHARE DEALINGS

In accordance with the Companies Act 1993 between 1 July 2020 and 30 June 2021 the Board received the following disclosures from Directors of acquisitions and dispositions of relevant interests in shares issued by the Company and details of such dealings were entered in the Company's interests register.

Director	Transaction	Number of Securities	Price per Security	Date
James Ramsay[1]	Sale of shares	3,650,000	$1.00	30 June 2020

[1] Shares held by James Ramsay, Nerida Joy Ramsay & Ramsay Family Trustee Limited as trustees of the Nerida Joy Ramsay Family Trust.

DIRECTORS' SHAREHOLDINGS INTERESTS

As at 30 June 2021 the Directors of the Company had the following relevant interests in the Company's shares and in convertible notes which convert into the Company's shares.

Director	Ordinary Shares	Convertible Notes $
Trevor Janes	1,272,717	-
Lorraine Witten	104,996	-
Danny Chan	1,270,678	2,000,000
James Ramsay	11,638,209	1,600,000

Subsequent to the end of the Company's financial year on 30 June 2021, and as disclosed to NZX on 7 July 2021, Christopher Dunphy has a relevant interest in 5,000,000 shares held by the Company's founder shareholders, in addition to the 750,000 shares in which he already had a relevant interest. In addition, on 3 August 2021 Mark Newman, who was appointed as a director of the Company on 27 July 2021, disclosed that he had a relevant interest in 100,000 shares in the Company.

USE OF COMPANY INFORMATION

There were no notices from Directors of the Company pursuant to section 145 of the Companies Act 1993 requesting to use Company information received in their capacity as directors that would not otherwise have been available them.

SUBSIDIARY COMPANY DIRECTORS

The following persons held office as Directors of subsidiary companies as at 30 June 2021. Employee directors of subsidiary companies appointed by the Group do not receive director's fees, remuneration or other benefits in their capacity as directors. The remuneration and other benefits of such employees, received as employees, are included in the relevant bands for remuneration disclosed under Employee Remuneration on page 80.

Company	(New name of the company post 28 July 2021)	Directors				
Alpha Customs Services Limited	No change in name	Clayton Imbs	Alan Pearson	Lee Banks		
Appian Transport Limited	No change in name	James Ramsay	Alan Pearson	Lee Banks		
Global Logistics Group Limited	No change in name	James Ramsay	Alan Pearson	Lee Banks		
Hookers Shipping Lmited	MOVE International Limited	James Ramsay	Alan Pearson	Lee Banks		
McAuley's Transport Limitd	MOVE (McAuley's) Limited	James Ramsay	Alan Pearson	Lee Banks		
MOVE Logistics Limited	MOVE Logistics & Warehousing Limited	James Ramsay	Alan Pearson	Lee Banks		
NZL Group Limited	MOVE (NZL) Limited	James Ramsay	Alan Pearson	Lee Banks		
Pacific Asset Leasing Limited	No change in name	James Ramsay	Alan Pearson	Lee Banks		
Pacific Fuel Haul Limited	MOVE Fuel Limited	James Ramsay	Alan Pearson	Lee Banks		
Southern Fleet Leasing Limited	No change in name	James Ramsay	Alan Pearson	Lee Banks		
Transport Investments Limited	MOVE Investments Limited	Danny Chan	Trevor Janes	James Ramsay	Lorraine Witten	Peter Dryden
TIL Freighting Limited	MOVE Freight Limited	James Ramsay	Alan Pearson	Lee Banks		
Specialist Lifting and Transport Group Limited	MOVE Specialist Lifting & Transport Limited	James Ramsay	Alan Pearson	Lee Banks		
TNL Logistics Limited	No change in name	James Ramsay	Alan Pearson	Lee Banks		
TNL International Limited	No change in name	Clayton Imbs	John Lowden	Shayne Miers	Alan Pearson	
Transport Nelson Limited	No change in name	James Ramsay	Alan Pearson	Lee Banks		
Pacific Liquid Logistics Limited	No change in name	James Ramsay	Alan Pearson	Lee Banks		
ATL Limited	MOVE (ATL) Limited	Lee Banks	Alan Pearson	Dallas Vince		
Alexandra Transport Limited	No change in name	Lee Banks				

* Alan Pearson resigned as CEO of MOVE Logistics Group and from all subsidiary company directorships on 20 July 2021.

SPREAD OF SECURITY HOLDERS

As at 31 July 2021:

Size of Shareholding	Number of Holders	Total Shares Held	% of Shares
1-1000	861	175,333	0.23%
1001-5000	197	422,008	0.68%
5001-10000	106	564,920	0.97%
10001-100000	126	2,694,552	5.1%
100001 or more	50	83,828,069	93.02%
	1340	**87,684,882**	**100.00%**

TOP 20 SHAREHOLDERS

The names and holdings of the twenty largest registered shareholders in the Company as at 31 July 2021 were:

	Total Shares Held	% of Shares
Gregory Whitham	9,276,601	10.58%
Kevin Garnet Smith	8,502,654	9.70%
Larry William Stewart & Kaylene Joy Stewart & Sr Taranaki Trustees Limited	8,202,653	9.35%
Alan Terris	7,802,875	8.90%
James Ramsay & Nerida Joy Ramsay & Ramsay Family Trustee Limited	7,544,001	8.60%
New Zealand Central Securities Depository Limited	5,829,977	6.65%
Custodial Services Limited	5,756,704	6.57%
Anacacia Pty Limited	5,350,000	6.10%
James Ramsay & Nerida Joy Ramsay	3,894,000	4.44%
David Gregory Carr & Lynette Maree Duncan	2,666,667	3.04%
Elizabeth Beatty Benjamin & Michael Murray Benjamin	1,464,890	1.67%
Wairahi Investments Limited	1,457,383	1.66%
Danny Chan	1,270,678	1.45%
Barry Francis Walker	1,164,271	1.33%
Selenium Corporation Limited	957,724	1.09%
New Zealand Depository Nominee	783,574	0.89%
Rangatira Limited	700,000	0.80%
Kerry Girdwood	698,583	0.80%
Alan Paul Terris & Moya Ruth Terris & Terris Trustee Limited	677,937	0.77%
Christopher Dunphy	500,000	0.57%

SUBSTANTIAL PRODUCT HOLDERS

The following substantial product holder information is given pursuant to section 293 of the Financial Markets Conduct Act 2013. As at 30 June 2021, details of the substantial product holders in the Company and their relative interests in the Company's ordinary shares are shown in the table below. The total number of voting securities (fully paid ordinary shares) of the Company as at 30 June 2021 was 87,684,882.

	Number of Shares
James Ramsay[1]	11,638,209
James Ramsay, Nerida Joy Ramsay & Ramsay Family Trustee Limited	11,438,001
Gregory Peter Whitham	9,276,601
Alan Paul Terris	8,480,812
Kaylene Stewart, Larry Stewart & SR Taranaki Trustees Limited	8,202,653
Kevin Garnet Smith	8,502,654

[1] This includes the 11,438,001 shares held by James Ramsay, Nerida Ramsay & Ramsay Family Trustee Limited.

Following the Company's balance date, the above substantial product holders filed additional substantial product holder disclosures with the Company and NZX indicating that they had entered into call option arrangements with Christopher Shaun Dunphy under which he has the right to require the transfer to him or up to 5 million shares within a thirty-six-month period.

OTHER INFORMATION

Auditor's Fees

PwC has continued to act as auditor of TIL Logistics Group Limited.

During the year ended 30 June 2021, the amount payable by MOVE Logistics Group Limited to PwC as audit and review fees was $325,000. The amount of fees payable to PwC for non-audit work during the year ended 30 June 2021 was $38,000. This is detailed in Note 8 of the Financial Statements.

Donations

The Company and its subsidiaries made donations totalling $18,000 during the year ended 30 June 2021.

NZX Waivers

There were no waivers granted by NZX or relied on by the Company in the 12 months preceding 30 June 2021.

CORPORATE GOVERNANCE

At MOVE Logistics, we believe that good corporate governance is essential to protect the interests of investors and create and enhance value over the short and long term. We are committed to conducting business in the right way, ethically and in line with our legal and regulatory obligations.

The Board has adopted corporate policies and procedures that reflect best practice and we follow the principles and recommendations of the NZX Corporate Governance Code (the Code). We believe that the Company's corporate governance practices in FY21 are materially in line with the Code, with further work being undertaken in some areas to ensure full compliance. The following pages summarise our corporate governance practices and progress in FY21.

MOVE Logistics takes a continuous improvement approach to corporate governance and policies are reviewed on a regular basis in line with best practice. Key governance policies and charters can be viewed on the MOVE Logistics website at www.movelogistics.com/investors/governance.

This governance statement is current as at 30 June 2021 and was approved by the Board on 29 September 2021.

Variance to NZX Corporate Governance Code

NZX Code Principle	NZX Code Recommendation	Key Difference	Status
Board Composition and Performance	2.5: The Board should set measurable objectives for achieving diversity.	The Board has not set measurable objectives under the Policy for achieving diversity.	The Board considers diversity outcomes can be achieved without measurable objectives.
Shareholder Rights & Relations	8.4: Additional equity should be offered to existing shareholders on a pro rata basis before offering to other investors.	$8.2 million was raised through a placement to certain of TIL's largest shareholders and other wholesale investors. The proceeds were used to repay debt.	The Board considered that the cost of preparing the required offer documentation for an offer of a convertible instrument to all shareholders relative to the size of amount required was too high and that it was in the best interests of the Company that the capital be raised in this manner.

ETHICAL BEHAVIOUR

MOVE Logistics expects its Directors and staff to act with integrity and professionalism and undertake their duties in the best interests of the Company. The Company's Code of Ethics is available on the Company website and is available to all staff.

The Code of Ethics is included in the New Employee Induction pack and all employees are required to attest that they have reviewed and understand the scope of relevant governance policies.

The Company does not donate to political parties.

MOVE Logistics encourages employees to speak out if they have concerns about any area of the Company. The avenues for doing so are detailed in the Company's Whistleblower Policy which is on the Company website.

The Securities Trading Policy, along with the Financial Markets Conduct Act 2013, imposes limitations and requirements on Directors and employees in dealing in the Company's shares. These limitations prohibit dealing in shares while in possession of inside information and impose requirements for seeking consent to trade.

BOARD COMPOSITION AND PERFORMANCE

As at the date of this Annual Report, the MOVE Logistics Board comprises six non-executive Directors and one executive Director. Each Director has experience, skills and expertise that are of value to the Company. Profiles of Directors are available on the Company's website.

MOVE Logistics' Chair is required to be an independent Director. The Board supports the separation of the roles of Chair and CEO and the appointment of an Independent Chair.

Five of the Directors are independent Directors. In order for a Director to be independent, the Board has determined that he or she must not be an executive of MOVE Logistics Group and must have no disqualifying relationships. Independence will be determined by the Board, having regard to the factors described in the NZX Corporate Governance Code. Jim Ramsay is not an independent Director, as he is a substantial shareholder in the Company and Christopher Dunphy is not an independent Director as he is a substantial shareholder in the Company and holds the position of Executive Director.

Directors' interests are disclosed on page 81 of the Annual Report.

The roles and responsibilities of the Board are detailed in the Board Charter, which is reviewed at least every two years and is available on the Company's website. The Board's primary objective is to enhance shareholder value and protect the interests of other stakeholders by improving corporate performance and accountability.

The Board has delegated authority for day to day leadership and management of the business to the Group CEO, who in turn has sub-delegated authority to other Company management with specified financial and non-financial limits. There is a Delegations of Authority Policy, which is reviewed annually by the Board. The Groups CEO's delegations were assumed by the Executive Director on 27 July 2021.

Appointment of Directors

The number of elected Directors and the procedure for their retirement and election at Annual Meetings is determined in accordance with the Company Constitution and NZX Listing Rules. Directors will retire and may stand for re-election by shareholders at least every three years. A Director appointed since the previous annual meeting holds office only until the next annual meeting but is eligible for re-election at that meeting. The Company has written agreements with each Director, outlining the terms of their appointment.

All Directors are involved in the consideration of Board composition and nominations and take into account a number of factors including qualifications, capability, experience, judgement and skills, and the ability to work with other Directors.

Shareholders may also nominate candidates for election to the Board, in accordance with the constitution of the Company and the NZX Listing Rules. Reference checks are carried out on all candidates and key information about candidates is provided to shareholders to assist their decision as to whether or not to elect or re-elect a candidate.

The Company has developed a skills matrix and takes into account a number of factors including qualifications, experience and skills. The Board believes that the current Directors as at 29 September 2021 offer valuable and complementary skill sets.

Director Training and Education

Directors are encouraged to undertake appropriate training and education to ensure they remain current on how to best perform their duties. In addition, management provide regular updates on relevant industry and Company issues, including briefings from senior executives.

All Directors have access to executives to discuss issues or obtain information on specific areas in relation to matters to be discussed at Board meetings, or other areas as they consider appropriate. The Board Committees and Directors, subject to the approval of the Board Chair, have the right to seek independent professional advice at the Company's expense, to enable them to carry out their responsibilities.

The Company has arranged a policy of Directors' and Officers' liability insurance This policy covers the Directors and Officers so that any monetary loss suffered by them, as a result of actions undertaken by them as Directors or Officers, is insured to specified limits (and subject to legal requirements and/or restrictions).

Board Performance and Review

The Board monitors its own performance and will, from time to time, commission an external review to assess the performance of individual Directors and the Board's effectiveness.

The Board is satisfied that each Director has the necessary time available to devote to the position, broadens the Board's expertise and has a personality that is compatible with the other Directors.

Diversity

Diversity at MOVE Logistics refers to characteristics of individuals and includes factors such as gender, marital status, religious belief, colour, race, ethnic or national origin, disability, age, political opinion, employment status, family status or sexual orientation. It encompasses the ways MOVE's people differ in terms of their education, life experience, job function, work experience, personality, location and career responsibilities. The key aspects being sought are diversity of thinking and skills, as these attributes are most likely to assist MOVE Logistics in delivering better outcomes for its stakeholders.

MOVE is committed to equal employment opportunities and treating all individuals fairly and with respect. The company recognises that everyone has individual differences which can be leveraged to create stronger teams and which will ultimately drive stronger business performance.

MOVE's approach to diversity is outlined in the Diversity Policy, which is available on the Company's website.

Key areas of focus are:

- Recruitment and retention of a diverse workforce
- Supportive working environment
- People development
- Recognition and reward based on merit

As at 30 June 2021, females represented 21% (FY20: 18%) of Directors and Officers of the Company (an officer is a person who is concerned or takes part in the management of the company business and reports directly to the Board or Executive Director). Females represented 16% (FY20: 16%) of all employees of the Company.

	FY21			FY20	
	Female	Male	Gender Diverse	Female	Male
Directors	1	4	0	1	4
Officers	2	7	0	2	9
All Employees	227	1206	1	232	1,245

The Board is satisfied with the initiatives being implemented by the Group and its performance with respect to the Diversity Policy. The Board has not currently set measurable objectives under the Policy for achieving diversity, as the Board considers diversity outcomes can be achieved without measurable objectives.

BOARD COMMITTEES

The Board has delegated a number of its responsibilities to Committees to assist in the execution of the Board's responsibilities. The use of Committees allows issues requiring detailed consideration to be dealt with separately by members of the Board with specialist knowledge and experience, thereby enhancing the efficiency and effectiveness of the Board. However, the Board retains ultimate responsibility for the functions of its Committees and determines their responsibilities.

The Committees meet as required and have terms of reference (Charters), which are approved and reviewed by the Board.

Minutes of each Committee meeting are available to all members of the Board, who are all entitled to attend any Committee meeting. Each Committee is empowered to seek any information it requires from employees in pursuing its duties and to obtain independent legal or other professional advice.

The membership and performance of each Committee is reviewed annually. Management attendance at Committee meetings is by invitation only.

Special purpose Committees may be formed to review and monitor specific projects with senior management. In FY21, a special Capital Management sub-committee was formed to oversee the convertible note capital raise and a separate special purpose subcommittee was established to oversee the turnaround of the Freight Division.

In the case of a takeover offer, MOVE Logistics would engage expert legal and financial advisors to provide advice on procedure. Formal Takeover protocols have been developed and formally adopted by the Board in compliance with Recommendation 3.6 of the NZX Corporate Governance Code.

The Board committees as at 30 June 2021 were:

Committee	Role	Members as at 30 June 2021
Risk Assurance and Audit (RAAC) Committee	Assist the Board in its oversight of the integrity of financial reporting, financial management and controls, external audit quality and independence, and the risk management framework.	Lorraine Witten (Chair) Trevor Janes James Ramsay Danny Chan
Governance and Remuneration Committee	Assist the Board to establish and maintain a strong governance framework overseeing the management of the company's people, remuneration and diversity policies.	Peter Dryden (Chair) Danny Chan Trevor Janes James Ramsay

Attendance at Board and Committee Meetings

	Board	RAAC	REM
Total Meetings Held	**18**	**8**	**3**
Trevor Janes	18	8	3
Lorraine Witten	16	8	-
Danny Chan	18	8	3
James Ramsay	18	8	3
Peter Dryden	17	-	3

REPORTING AND DISCLOSURE

MOVE Logistics is committed to keeping investors and the market informed of all material information about the Company and its performance, in a timely manner. In addition to all information required by law, the Company also seeks to provide sufficient meaningful information to ensure stakeholders and investors are well informed. The Company's Continuous Disclosure Policy sets out the principles and requirements of this commitment to timely and balanced disclosures.

Key corporate governance policies are available on MOVE Logistics' website at www.movelogistics.com/investors/governance.

Financial Reporting

The Board is responsible for ensuring that the financial statements give a true and fair view of the financial position of the Company and have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements, estimates and for ensuring all relevant financial reporting and accounting standards have been followed.

The Risk Assurance and Audit Committee oversees the quality and integrity of external financial reporting, including the accuracy, completeness, balance and timeliness of financial statements. It reviews MOVE Logistics' full and half year financial statements and makes recommendations to the Board concerning accounting policies, areas of judgement, compliance with accounting standards, stock exchange and legal requirements, and the results of the external audit.

For the financial year ended 30 June 2021, the Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and facilitate compliance of the financial statements with the Financial Markets Conduct Act 2013. The Chief Financial Officer has confirmed in writing that MOVE Logistics Group's external financial reports present a true and fair view in all material aspects.

In all accounting and secretarial matters, the Board ensures that the Chief Financial Officer and Company Secretary's reports are objective. The Chief Financial Officer and Company Secretary have unfettered access to the Board Chair and the Risk Assurance and Audit Committee.

Non-financial reporting

MOVE Logistics has initiatives supporting its focus on the environment, people and communities and a formal ESG framework is being developed . MOVE's progress in key areas can be viewed on pages 20 to 23 of the 2021 Annual Report.

The Company periodically updates shareholders and the market on its strategy and progress against this in shareholder reports and newsletters.

REMUNERATION

Remuneration of Directors and senior executives is the key responsibility of the Governance and Remuneration Committee. External advice has been sought to ensure remuneration is benchmarked to the market for senior management positions and Board positions.

The last increase in Director remuneration was approved by shareholders in 2017. The Board Charter provides that no retirement allowance is payable to a director.

While there is no formal requirement to do so, the majority of Directors hold shares in the Company either personally or through related interests. Directors' share dealings and interests in the Company are detailed on page 82.

Details of Director and Executive Remuneration in FY21 are provided on pages 78 to 80.

RISK MANAGEMENT

The Board has overall responsibility for the Company's system of risk management and internal control and has procedures in place to provide control within the management and reporting structure.

In addition, the Risk Assurance and Audit Committee (RAAC) provides an additional and more specialised oversight of Company risks. The RAAC Charter details the specific responsibilities of the Committee regarding Risk Assurance.

Financial statements are prepared monthly and are reviewed by the Board progressively throughout the year to monitor management's performance against budget goals and objectives, and the Board requires managers to identify and respond to risk exposures.

A structured framework is in place for capital expenditure, including appropriate authorisation and approval levels which place an emphasis on the commercial logic for the investment. Under a formal Delegation of Authority policy, the Board has set limits to management's ability to incur expenditure, enter into contracts and acquire or dispose of assets. MOVE maintains insurance policies that it considers adequate and practicable to meet its insurable risks.

Risk profiles which identify, assess, monitor and report the Company's key business risks are formally reviewed by the Board annually as part of the Board's risk assessment process. These risk profiles also identify the key risk mitigation strategies which are in place. A summary is below:

Key Risk	Mitigation
Competition	MOVE is focused on continually improving its offer to customers and enhancing the customer experience. Investment is being made into IT and capacity to further strengthen MOVE's end to end supply chain offer and enhance the customer experience.
Financial risks	A key focus for business managers is cash flow management. Financial policies and procedures are in place and monitored to ensure the business is managed within the limits on a continuous basis. This risk is managed by the Board Risk & Assurance and Audit Committee.
Crisis Events	Natural disasters, pandemics/COVID-19, cyber security and other crisis events in New Zealand can have an impact on how we operate our business. Business Continuity Plans are in place for each business and pre- and post-disaster planning reviews are conducted.
Economy	Management carefully monitor economic trends and each business is tasked with identifying potential risks and developing strategic plans which take these into account.
Cyber Security	The Company has data security systems and protocols in place, which are continuously reviewed and updated for improvement. Cyber Security Audits are undertaken throughout the year.
Health & Safety	The Company has a programme and policies focused on identifying and mitigating health and safety risks within the business. Key metrics are monitored and measured and reported on regularly to the Board. Preventative and recovery processes and controls are implemented across the business.

The Board as a whole is responsible for monitoring corporate risk assessment processes and this is not delegated to a subcommittee.

Health and safety

Staying safe, keeping others safe, and being corporately responsible are fundamental to what MOVE is as an organisation. Operating the business in this way helps deliver on MOVE's vision of "No Harm to People, the Environment or Assets". Paying close attention to safety, wellbeing, sustainability, ethics and integrity go hand in hand with that vision.

The Board is committed to ensuring a high quality, safe and healthy environment for all MOVE Logistics people, visitors, partners and those in the community.

People safety is a key priority, one of MOVE's core values and an essential component across the business. MOVE is committed to developing, improving and reinforcing its safety culture, including by improving leadership capacity and simplifying tools and systems.

Safety performance is tracked to identify patterns to help prevent incidents. "Health, Safety and Sustainability" results and reported data from each Business Unit and at a Group level, are reviewed at each National Health & Safety Committee Meeting. The Committee is an executive group that meets monthly for the purposes of health and safety management across the Group. In addition, the Board receives monthly reports on the health and safety performance across the Group, including performance against plan, near miss reporting, progress with safety related initiatives and reviewing lead and lag indicators of performance.

During the year, further steps were taken to operationalise the safety and sustainability teams with a revised focus and functional framework, using improved measurement and analytics tools, "in cab" and other technologies that moves reporting beyond traditional safety metrics – bringing factors like weather and vehicle data into the picture – to identify leading indicators of injuries and illness and factoring learnings into revised safety practices in all parts of the business.

In addition, an independent external review of the Company's health and safety management system was undertaken and the Company was admitted into the Accident Compensation Authority's Accredited Employer Program. As a company with over 900 vehicles in the fleet, road safety is a critical risk factor. The company has a dedicated team of driver trainers to educate and support drivers, alongside the increased use of in cab technologies. An increasing focus is the risks around a mobile plant more generally in MOVE's warehouses, freight depots and cross docks.

The Company's injury frequency rates provide a lag indicator of performance with LTIFR rates reducing for the third year in a row.

	2018	2019	2020	2021
Lost Time Injury Frequency Rate (LTIFR)	28.93	25.36	24.50	19.84
Total Recordable Injury Frequency Rate (TRIFR)	84.15	71.35	62.18	63.50

AUDITORS

External audit

For the year ended 30 June 2021, PricewaterhouseCoopers (PwC) was the external auditor of MOVE Logistics Group Limited. PwC was first appointed as auditor in 2017. The most recent Audit Partner rotation occurred in 2021, with the next rotation due no later than 2026.

The Risk Assurance and Audit Committee monitors the ongoing independence, quality and performance of the external auditors and audit partner rotation. The Committee pre-approves any non-audit work undertaken by PwC. The non-audit services in the year ended 30 June 2021 are set out in Note 8. Those services were provided in accordance with the company's External Auditor Independence Policy and were assessed by the Risk Assurance and Audit Committee as not affecting PwC's independence. The fees paid for audit and non-audit services in FY21 is identified on page 85 of the Annual Report. The external auditors attend the Annual Shareholders Meeting.

Internal Audit

MOVE has an internal Audit Framework and Annual Plan which is overseen by the Risk Audit Assurance Committee. MOVE continues to outsource the internal audit while it assesses the long-term requirements for an internal audit in house function.

The internal audit function for MOVE's business needs a broad range of skills to be effective and comprehensive. There is also a requirement for expertise in a growing range of specialist skills such as IT audit; data mining; data analytics and in-depth knowledge of different regulatory regimes. Outsourcing the internal Audit function means having access to specialist expertise, innovations in the latest audit techniques and technology and the opportunity for benchmarking.

During FY21, external specialist audit resources were used to evaluate risk and risk management in two key areas of the business. The reports from the internal Audits are presented to the Risk Audit Assurance Committee and the Committee monitors performance against the auditors recommendations.

During FY22, MOVE will continue to develop and refine the options in the Internal Audit function to meet the future needs of the business

SHAREHOLDER RIGHTS AND RELATIONS

The Board is committed to open and regular dialogue and engagement with shareholders. MOVE Logistics has developed an investor relations programme which includes regular dialogue with investors, analysts and investor meetings, and earnings announcements. The programme is designed to provide shareholders and other market participants the opportunity to obtain information, express views and ask questions. Easy access to financial, operational and governance information is available through the Investor Centre on company's website at www.movelogistics.com/investors/governance.

Shareholders are actively encouraged to attend the Annual Meeting and may raise matters for discussion at this event, and vote on major decisions which affect MOVE Logistics. Voting is by poll, upholding the 'one share, one vote' philosophy. Shareholders are also able to vote by proxy ahead of meetings without having to physically attend those meetings.

Shareholders are encouraged to communicate with the Company and its share registry electronically.

In addition to shareholders, MOVE Logistics has a wide range of stakeholders and maintains open channels of communication for all audiences, including brokers, the investing community and the New Zealand Shareholders' Association, as well as its staff, suppliers and customers.

REGISTERED OFFICE AND ADDRESS FOR SERVICE
330 Devon Street East, New Plymouth
0800 845 5494
movelogistics.com

AUDITORS
PricewaterhouseCoopers
PwC Tower, Level 27, 15 Customs St West, Auckland

BANKERS
ANZ Bank
23-29 Albert Street, Auckland

SOLICITORS
Harmos Horton Lusk Limited
Vero Centre , 48 Shortland Street, Auckland

SHARE REGISTRAR
Link Market Services Limited
Deloitte Centre, 80 Queen St, Auckland