



Marsden
MARITIME HOLDINGS LTD

HALF-YEAR REPORT

31 December 2022



Consolidated Financial Statements

For the Six Months Ended 31 December 2022

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Consolidated Statement of Profit or Loss

For the Six Months Ended 31 December 2022

	Note	Unaudited Six Months 31-Dec-2022 \$000	Unaudited Six Months 31-Dec-2021 \$000	Audited Full Year 30-Jun-2022 \$000
Income				
Lease revenue		2,340	1,669	3,653
Marina operations		1,365	1,241	2,509
Revenue from goods sold		1,650	786	2,325
Other income		170	102	230
Operating income		5,525	3,798	8,717
Expenses				
Operating expenses		(1,031)	(968)	(1,750)
Cost of goods sold		(1,532)	(703)	(2,115)
Land rates and lease expenses		(263)	(271)	(633)
Administrative expenses		(1,556)	(988)	(2,149)
Depreciation		(271)	(270)	(542)
Other expenses		-	(7)	(7)
Operating expenses		(4,653)	(3,207)	(7,196)
Revaluation of investment property		-	-	3,918
Fair value movements	6	(36)	(95)	(103)
Operating profit/(loss)		836	496	5,336
Finance income		-	-	-
Finance expenses		(727)	(296)	(829)
Net finance expenses		(727)	(296)	(829)
Share of profit from joint venture	4	4,438	4,397	8,432
Profit before income tax		4,547	4,597	12,939
Income tax benefit/(expense)	5	(49)	(17)	168
Net profit after tax (attributable to owners of the company)		4,498	4,580	13,107
Basic and diluted earnings per share (cents)		10.89	11.09	31.74

Consolidated Statement of Comprehensive Income

For the Six Months Ended 31 December 2022

	Note	Unaudited Six Months 31-Dec-2022 \$000	Unaudited Six Months 31-Dec-2021 \$000	Audited Full Year 30-Jun-2022 \$000
Net profit after tax		4,498	4,580	13,107
Other comprehensive income				
<i>Items that will be recycled through profit and loss</i>				
Cash flow hedges - gain/(loss) taken to reserves		732	533	1,868
Income tax relating to items of other comprehensive income		(205)	(149)	(523)
		527	384	1,345
<i>Items that will not be recycled through profit and loss</i>				
Movement in asset revaluation reserve net of tax		-	-	(2,356)
Share of movement in revaluation reserve (Northport Ltd)	4	-	-	10,174
		-	-	7,817
Total other comprehensive income		527	384	9,163
Total comprehensive income for the period (attributable to owners of the company)		5,025	4,964	22,270

Consolidated Statement of Changes in Equity

For the Six Months Ended 31 December 2022

	Share Capital \$000	Retained Earnings \$000	Asset Revaluation Reserve \$000	Hedging Reserve \$000	TOTAL \$000
Balance at 1 July 2022	14,688	75,516	74,387	741	165,332
Net profit after tax	-	4,498	-	-	4,498
Other comprehensive income	-	-	-	527	527
Total comprehensive income	-	4,498	-	527	5,025
Dividends to shareholders	-	(4,130)	-	-	(4,130)
Balance at 31 December 2022 (Unaudited)	14,688	75,884	74,387	1,268	166,227
Balance at 1 July 2021	14,688	69,533	66,570	(605)	150,186
Net profit after tax	-	4,580	-	-	4,580
Other comprehensive income	-	-	-	384	384
Total comprehensive income	-	4,580	-	384	4,964
Dividends to shareholders	-	(4,646)	-	-	(4,646)
Balance at 31 December 2021 (Unaudited)	14,688	69,467	66,570	(221)	150,504
Balance at 1 July 2021	14,688	69,533	66,570	(605)	150,186
Net profit after tax	-	13,107	-	-	13,107
Other comprehensive income	-	-	7,817	1,345	9,163
Total comprehensive income	-	13,107	7,817	1,345	22,270
Dividends to shareholders	-	(7,124)	-	-	(7,124)
Balance at 30 June 2022 (Audited)	14,688	75,516	74,387	741	165,332

Consolidated Balance Sheet

As at 31 December 2022

	Note	Unaudited Six Months 31-Dec-2022 \$000	Unaudited Six Months 31-Dec-2021 \$000	Audited Full Year 30-Jun-2022 \$000
Assets				
Non-current assets				
Investment property		110,093	100,332	108,880
Property, plant and equipment		28,690	31,532	28,566
Investment in joint venture company (Northport Ltd)	4	61,239	50,310	61,448
Other investments	6	312	356	348
Deferred tax asset		-	-	7
Financial assets		1,025	-	672
Total non-current assets		201,359	182,530	199,921
Current assets				
Cash and deposits		240	268	230
Receivables and prepayments		801	1,086	261
Inventory		133	36	159
Total current assets		1,174	1,390	650
Total assets		202,533	183,920	200,571
Equity				
Share capital		14,688	14,688	14,688
Retained earnings		75,884	69,467	75,516
Asset revaluation reserve		74,387	66,570	74,387
Hedging reserve		1,268	(221)	741
Total equity		166,227	150,504	165,332
Liabilities				
Non-current liabilities				
Bank loans - non current portion		32,900	29,600	24,000
Revenue in advance		2,115	1,828	1,860
Financial liabilities		-	65	-
Deferred tax liabilities		124	-	-
Total non-current liabilities		35,139	31,493	25,860
Current liabilities				
Payables		1,167	1,923	1,829
Bank loans - current portion		-	-	7,550
Total current liabilities		1,167	1,923	9,379
Total liabilities		36,306	33,416	35,239
Total equity and liabilities		202,533	183,920	200,571

Consolidated Statement of Cash Flows

For the Six Months Ended 31 December 2022

	Unaudited Six Months 31-Dec-2022 \$000	Unaudited Six Months 31-Dec-2021 \$000	Audited Full Year 30-Jun-2022 \$000
Cash flows from operating activities			
Receipts from customers	5,377	3,213	8,789
Dividends received	4,932	6,025	9,529
Payments made to suppliers and employees	(4,319)	(3,175)	(6,470)
Interest paid	(699)	(273)	(987)
Income tax paid	(17)	(17)	(27)
Net cash flow from operating activities	5,274	5,772	10,834
Cash flows from investing activities			
Sale of property, plant and equipment	-	-	5
Purchase of property, plant and equipment	(395)	(392)	(429)
Purchase of and improvements to investment property	(2,089)	(6,270)	(10,809)
Net cash flow from investing activities	(2,484)	(6,662)	(11,233)
Cash flows from financing activities			
Proceeds from borrowings	1,350	5,650	7,600
Payment of dividends	(4,130)	(4,646)	(7,124)
Net cash flow from financing activities	(2,780)	1,004	476
Net increase/(decrease) in cash held	10	114	76
Opening cash balance	230	154	154
Closing cash balance	240	268	230

Consolidated Operating Cash Flow Reconciliation

For the Six Months Ended 31 December 2022

	Unaudited Six Months 31-Dec-2022 \$000	Unaudited Six Months 31-Dec-2021 \$000	Audited Full Year 30-Jun-2022 \$000
Net profit after tax	4,498	4,580	13,107
Non-cash items			
Depreciation expense	271	270	542
Gain/(loss) on sale of property, plant and equipment	-	7	3
Revaluation of investment property	-	-	(3,918)
Other fair value movements	36	95	103
Share of profit from joint venture (net of dividend)	482	1,616	1,081
	<u>789</u>	<u>1,988</u>	<u>(2,189)</u>
Movements in working capital			
Change in receivables and prepayments	(540)	(809)	17
Change in payables	(662)	67	(26)
Change in tax payable	131	-	(7)
Change in inventory	26	58	(65)
	<u>(1,045)</u>	<u>(684)</u>	<u>(81)</u>
Movement in revenue in advance	256	81	113
Non-operating items included in working capital movements above	776	(193)	(116)
Net cash flow from operating activities	<u>5,274</u>	<u>5,772</u>	<u>10,834</u>

Notes to the Consolidated Financial Statements

For the Six Months Ended 31 December 2022

1. REPORTING ENTITY

The financial statements are for Marsden Maritime Holdings Limited (Marsden Maritime or the Company) and the joint venture company Northport Limited (the Group). The Company is incorporated and domiciled in New Zealand, is registered under the Companies Act 1993 and is a FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013. The Company is listed with NZX Limited with its ordinary shares quoted on the NZX Main Board.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the Financial Markets Conduct Act 2013, which includes the requirement to comply with generally accepted accounting practice in New Zealand ("NZ GAAP"). These interim financial statements have been prepared in accordance with New Zealand International Accounting Standard ("NZ IAS") 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements and related notes included in Marsden Maritime Holdings Ltd's Annual Report for the year ended 30 June 2022.

3. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2022.

	Unaudited Six Months 31-Dec-2022 \$000	Unaudited Six Months 31-Dec-2021 \$000	Audited Full Year 30-Jun-2022 \$000
4. INVESTMENT IN JOINT VENTURE			
Northport Ltd			
Shareholding	50%	50%	50%
Balance at 1 July	61,448	51,494	51,494
Share of net profit after tax	4,432	4,391	8,420
Share of current period elimination re. previous inter entity asset sales	6	6	12
Share of profit from joint venture	4,438	4,397	8,432
Share of hedging reserve	273	431	861
Share of revaluation reserve	-	-	10,174
Share of total comprehensive income	4,711	4,829	19,467
Dividends received	(4,920)	(6,013)	(9,512)
Balance at reporting date	61,239	50,310	61,448

Notes to the Consolidated Financial Statements

For the Six Months Ended 31 December 2022

	Unaudited Six Months 31-Dec-2022 \$000	Unaudited Six Months 31-Dec-2021 \$000	Audited Full Year 30-Jun-2022 \$000
5. TAXATION EXPENSE			
Net surplus before taxation	4,547	4,597	12,939
Prima Facie Tax at 28%	1,273	1,287	3,623
<i>Adjusted for the tax effect of:</i>			
Tax paid joint venture earnings	135	452	306
Imputed dividend receipts	(1,378)	(1,684)	(2,664)
Revaluation non-assessable/non-deductible (income) expense	10	27	(1,072)
Capitalised interest deducted for tax purposes	(12)	(17)	(44)
Non-deductible expenses	20	6	16
Carried forward losses not recognised (recognised)	-	(54)	(334)
Income tax expense	49	17	(168)
<i>Represented by:</i>			
Current taxation	49	17	(168)
Deferred taxation	-	-	-
Income tax expense	49	17	(168)
	Unaudited Six Months 31-Dec-2022 \$000	Unaudited Six Months 31-Dec-2021 \$000	Audited Full Year 30-Jun-2022 \$000
6. OTHER INVESTMENTS			
Fonterra Co-operative Group Ltd - Shares			
Balance at 1 July	348	451	451
Fair value movements	(36)	(95)	(103)
Balance at reporting date	312	356	348
Fair value movement in other investments	Shares held	Disclosed fair value per share 31-Dec-2022	Fair value movement 30-Jun-2022
Fonterra Co-operative Group Ltd - Shares	119,935	2.60	2.90 (36)

7. FINANCIAL INSTRUMENTS

The Group periodically uses derivative financial instruments, such as interest rate swaps, to hedge risk associated with interest rate fluctuation.

At each reporting date, all designated cashflow hedges are tested for effectiveness. The ineffective portion of the gain or loss on each hedging instrument is recognised in profit or loss whilst the effective portion is included in other comprehensive income of the relevant entity.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. Derivative financial instruments are categorised as Level 2 in the fair value measurement hierarchy.

Notes to the Consolidated Financial Statements

For the Six Months Ended 31 December 2022

	31 DECEMBER 2022				
	Port Related Operations \$000	Property Holdings \$000	Marina and Commercial \$000	Other Activities \$000	TOTAL \$000
8. SEGMENTAL REPORTING					
Revenue					
Rental revenue from external customers	-	1,864	297	-	2,161
Rental revenue from joint venture	-	179	-	-	179
Other revenue from external customers	-	112	3,071	2	3,185
Total segment revenue	-	2,155	3,368	2	5,525
Other income and expenditure					
Share of profit from joint venture	4,438	-	-	-	4,438
Fair value movements	-	(36)	-	-	(36)
Finance expense*	-	-	-	(727)	(727)
Depreciation expense	-	(25)	(218)	(29)	(271)
Other expenses/losses	-	(595)	(2,434)	(1,353)	(4,382)
Income tax expense	-	-	-	(49)	(49)
Total other income and expenditure	4,438	(656)	(2,652)	(2,158)	(1,027)
Net profit after tax	4,438	1,499	716	(2,156)	4,498
Total segmental assets	61,239	103,002	36,118	2,174	202,533
Total segmental liabilities	-	317	2,527	33,463	36,306
Non-current asset additions					
Property, plant and equipment	-	-	401	7	408
Investment property	-	1,097	116	-	1,213

* Finance costs are not allocated to individual business segments within the Parent Company.

Notes to the Consolidated Financial Statements

For the Six Months Ended 31 December 2022

	31 DECEMBER 2021				
	Port Related Operations \$000	Property Holdings \$000	Marina and Commercial \$000	Other Activities \$000	TOTAL \$000
8. SEGMENTAL REPORTING (continued)					
Revenue					
Rental revenue from external customers	-	1,258	232	-	1,490
Rental revenue from joint venture	-	179	-	-	179
Other revenue from external customers	-	62	2,068	-	2,129
Total segment revenue	-	1,499	2,300	-	3,798
Other income and expenditure					
Share of profit from joint venture	4,397	-	-	-	4,397
Fair value movements	-	(95)	-	-	(95)
Finance expense*	-	-	-	(296)	(296)
Depreciation expense	-	(26)	(211)	(34)	(270)
Other expenses/losses	-	(600)	(1,444)	(893)	(2,938)
Income tax expense	-	-	-	(17)	(17)
Total other income and expenditure	4,397	(721)	(1,655)	(1,240)	782
Net profit after tax	4,397	778	645	(1,240)	4,580
Total segmental assets	50,310	103,553	28,795	1,263	183,920
Total segmental liabilities	-	1,564	1,958	29,894	33,416
Non-current asset additions					
Property, plant and equipment	-	119	238	5	362
Investment property	-	5,996	518	-	6,514

* Finance costs are not allocated to individual business segments within the Parent Company.

9. SUBSEQUENT EVENTS

Dividend received

Joint Venture company Northport Ltd declared a fully imputed dividend amounting to \$3,500,000 with payment to be made 28 February 2023.

Dividend declared

On 28 February 2023 a fully imputed ordinary dividend of 6.00 cents per share was declared by the Board with payment to be made 31 March 2023.