

Rules 4.1, 4.3

## Appendix 4E

### Preliminary final report

Name of entity

Steamships Trading Company Limited

ABN or equivalent company reference	Half yearly (tick)	Preliminary final (tick)	Financial year ended ('current period')
055836952		✓	31 <sup>st</sup> December 2020

#### **For announcement to the market**

*Extracts from this report for announcement to the market.*

K'000

Revenues from continuing operations	Up/ down	7.6%	to	540,406
Profit from continuing operations after tax	Up/ <del>down</del>	66.9%	to	79,037
Profit for the period attributable to members	Up/ <del>down</del>	57.7%	to	78,855
<b>Dividends (distributions)</b>	Amount per security		Franked amount per security	
Final dividend	80t		0t	
Interim dividend	-		0t	
Previous corresponding period	55t 25t		0t	
Record date for determining entitlements to the dividend, (in the case of a trust, distribution)	30 <sup>th</sup> April 2021			

### Preliminary Final Report to the Stock Exchange

2020 was a difficult year as the global economy was ravaged by the impact of the COVID-19 virus. PNG was no exception. The economy remained weak due to restrictions imposed to limit the spread of the virus and the uncertainty for businesses that this created. Failure of the various parties to progress investment in any of the major resource projects weighed heavily on the economy. The situation worsened with the sudden closure of the Porgera gold mine mid-year as a result of the Government not granting an extension to the mine lease. Investment sentiment and demand remains poor. The National Budget presented in November 2020 projects a K6.6Bn budget deficit. Government spending will therefore remain tight into 2021. The ongoing shortage of foreign currency in PNG also continues to suppress economic activity.

Continued budget support from multilateral agencies will be essential and could entail economic reforms that will impair economic activity in the short term.

2020 was therefore a difficult year for the PNG private sector as a whole and Steamships diverse business activities, being closely integrated to the domestic economy, were impacted by the negative impacts of the COVID-19 virus and economic slowdown. However, prudent cost management, a dedication to customer service and cautious investment have delivered improved results in 2020.

Steamships' sales revenue on a continuing basis declined 7.6% to K540.4 million against last year's K585.2 million, with improved revenue for Consort shipping only partially offsetting declines for East West Transport, Pacific Towing and Coral Sea Hotels. Leasing revenue from property investments was flat.

	2020	2019	Change
	K000's	K000's	
<b>Net Profit attributable to shareholders</b>	<b>78,855</b>	<b>49,995</b>	<b>57.7%</b>
<b>Add back / (less) impact of significant items (post tax &amp; minority interest)</b>			
Impairment of Fixed Assets, Goodwill (incl Vessels)	919	0	
Recognition of tax losses previously not recognised	(28,015)	0	
Fixed Assets Write Off	613	0	
Refund of SWT Assessment	(8,467)	0	
(Gain) / Loss on Disposal of Vessels	(1,362)	789	
Gain on Sale of Properties	(7,333)	(16,910)	
Salvage Profit	(1,101)	(2,369)	
<b>Total impact of significant items</b>	<b>(44,746)</b>	<b>(18,490)</b>	
<b>Underlying profit attributable to shareholders</b>	<b>34,109</b>	<b>31,505</b>	<b>8.3%</b>

Depreciation in 2020 was K88.3 million against K82.3 million in 2019, and interest on net borrowings (excluding capitalised interest) was K8.9 million against K9.8 million in 2019. Capital expenditure for the year was K68.5 million against K94.2 million in 2019.

The group's net operating cash flow generation increased 37.6% to K153.9 million against K111.8 million in 2019. The cash balance at year end is K142.4 million.

A dividend of 80 toea per share has been proposed and will be paid following approval at the Board of Directors meeting on 12<sup>th</sup> March 2021, subject to Steamships' ability to secure foreign exchange for non PNG shareholders. As there was no interim dividend paid during the year the total dividend for the year is 80 toea per share (2019 = 80 toea per share). The dividend is unfranked and there is no conduit foreign income.

### ***Significant items***

Following the amalgamation of wholly-owned subsidiary, Consort Express Lines Ltd ("CEL") with Steamships Ltd in 2019, previously unutilised tax losses from prior periods were made available.

The Company reached a settlement with the IRC on a default assessment for salaries and wages tax that was paid in 2017. The amount represents the net credit to the Company.

### ***Coral Sea Hotels***

Coral Sea Hotels (CSH) was impacted by COVID-19. International and domestic travel restrictions significantly reduced demand for hotel rooms from the end of the first quarter onwards. There was some upside from quarantine business, largely from the resource sector, and this gained strength in the fourth quarter albeit at low margins. CSH expanded its food and beverage offering with the opening of new outlets and a restaurant at Ela Beach Hotel, an Enzo's at the Nature Park and has taken over management of the Bonjour Café at Deloitte Tower.

### ***Pacific Palms Property***

Pacific Palms Property's (PPP) financial performance was broadly in line with last year. The impact of COVID-19 primarily affected the premium residential portfolio in Port Moresby due to a decline of expatriates in country. Industrial and retail in Port Moresby was resilient and commercial fell behind expectation, though improved slightly towards the end of the year. Outside of Port Moresby, occupancy and yields were generally stable with the main exception being weak industrial demand in Lae. Construction of Harbourside South continues to progress and is expected to complete in the second half of 2022.

### ***Logistics***

After a generally strong first quarter for the logistics businesses, April was a particularly challenging month with the State of Emergency severely restricting the movement of freight. Initiatives such as contactless port calls between Consort Express Lines (CEL) and Joint Venture Port Services (JVPS) were put in place to ensure the safety of operations. Volumes gradually recovered from the April lows though generally remained soft for the remainder of the year.

Liner volumes strengthened in the fourth quarter and the project and charters side of the business performed in line with expectation. A focus on maintenance and operational efficiencies continues to deliver improved fleet and schedule reliability.

JVPS performed well largely due to stronger-than-expected third-party revenue (other than CEL) and improved results at Joint Venture Hire Company (JVHC), which hires out heavy machinery on lease.

JVPS took over United Stevedoring Limited from CEL thus consolidating all eleven of Steamships' stevedoring activities under JVPS management.

EastWest Transport's (EWT) business remained soft. Fuel transport was negatively impacted by reduced air traffic, particularly on EWT's high volume contract for aviation fuel in Port Moresby. Freight movements in general were also below expectations.

Pacific Towing experienced a similar volume of harbour towage jobs in 2020 compared to 2019. However, non-harbour towing operations fared poorly on lower jobs available. It was a particularly quiet year for salvage opportunities.

### ***Commercial***

Colgate-Palmolive (PNG) Limited a PNG incorporated joint venture, overcame distribution problems associated with COVID-19 travel restrictions in 2020, although Home Care category sales suffered as a result. However, overall revenue was only slightly behind prior year with both Oral Care and Personal Care categories showing growth in volume, with Oral care also exhibiting growth in sales revenue. The overall margin for the business was slightly lower as a result of promotional activity and sales mix.

### ***Trading Outlook***

The new year has started on a more positive note with the signing of a the Fiscal Stability Agreement for the Papua LNG gas project and approval of the environmental permit for the Wafi-Golpu copper and gold mine in Morobe province. There is even hope of re-opening the Porgera mine mid-year. The investment and job creation from these projects is essential to the recovery and future development of PNG.

Whether the key resource projects proceed or not, 2021 is expected to be another challenging year for PNG and Steamships.

We remain firmly focused on the future and our commitment to the development of the country and people of PNG and the exciting opportunities that lie ahead.

**Statement of comprehensive income**

	Current period - K'000	Previous corresponding period - K'000
<b>Continuing Operations</b>		
Revenues	540,406	585,168
<b>Operating Expenses</b>		
Cost of goods & services	(106,288)	(111,552)
Staff Cost	(99,428)	(119,712)
Electricity and fuel	(33,796)	(46,314)
Depreciation & amortisation	(88,328)	(82,268)
Impairment of vessels	(919)	-
Fixed Assets Write Off	(613)	-
Finance- net	(8,990)	(9,846)
Other operating expenses	(147,509)	(170,313)
Other gains	9,278	16,121
Share of net profits of associates and joint venture entities accounted for using the equity method	4,026	5,010
<b>Profit before Income Tax</b>	67,839	66,294
Income tax credit / (expense)	11,198	(18,928)
<b>Profit from Continuing Operations</b>	79,037	47,366
<b>Total Comprehensive Income for the Year</b>	79,037	47,366
<b>Attributable to:</b>		
Shareholders	78,855	49,995
Non-Controlling Interests	182	(2,629)
	79,037	47,366

<b>Earnings per security (EPS)</b>	Current period (toea)	Previous corresponding period (toea)
Basic & Diluted EPS (total profit)	254.3	161.2
Basic & Diluted EPS (continuing)	254.3	161.2

**Comparison of half year profits**

	Current year - K'000	Previous corresponding period - K'000
Consolidated profit from continuing operations after tax attributable to members reported for the <i>1st</i> half year	16,079	10,913
Consolidated profit from continuing operations after tax attributable to members for the <i>2<sup>nd</sup></i> half year	62,958	36,453

<b>Statement of financial position - consolidated</b>	As at 31 Dec 2020 K'000	As at 31 Dec 2019 K'000
<b>Current assets</b>		
Cash and cash equivalents	142,424	100,832
Term deposits	8,063	-
Trade and other receivables	125,568	148,118
Assets held for sale	4,987	-
Income tax receivable	23,923	9,507
Inventories	17,282	13,351
<b>Total current assets</b>	<b>322,247</b>	<b>271,808</b>
<b>Non-current assets</b>		
Investments	36,992	41,586
Property, plant and equipment	945,075	970,928
Intangibles	76,433	76,433
Loans to related parties	106,456	88,577
Deferred tax asset	1,010	2,311
<b>Total non-current assets</b>	<b>1,165,966</b>	<b>1,179,835</b>
<b>Total assets</b>	<b>1,488,213</b>	<b>1,451,643</b>
<b>Current liabilities</b>		
Trade and other payables	61,689	75,407
Lease Liabilities	2,662	3,772
Provisions	55,398	51,542
Loans from related parties	5,024	15,822
Borrowings	105,006	1,743
<b>Total current liabilities</b>	<b>229,779</b>	<b>148,286</b>
<b>Non-current liabilities</b>		
Lease Liabilities	70,428	68,464
Deferred tax liability	14,743	18,866
Borrowings	199,500	302,000
Provision for other liabilities & charges	9,937	11,237
<b>Total non-current liabilities</b>	<b>294,608</b>	<b>400,567</b>
<b>Total liabilities</b>	<b>524,387</b>	<b>548,853</b>
<b>Net assets</b>	<b>963,826</b>	<b>902,790</b>
<b>Share capital and reserves</b>		
Issued capital	24,200	24,200
Retained earnings	922,643	860,843
<b>Shareholders' funds</b>	<b>946,843</b>	<b>885,043</b>
Minority shareholders' interests	16,983	17,747
<b>Total capital and reserves</b>	<b>963,826</b>	<b>902,790</b>

<b>Consolidated Statement of changes in equity</b>	Contributed Equity K'000	Retained Earnings K'000	Total K'000	Minority Interests K'000	Total Equity K'000
<b>Balance At 1<sup>st</sup> January 2019</b>	<b>24,200</b>	<b>896,105</b>	<b>920,305</b>	<b>19,723</b>	<b>940,028</b>
<b>Total Comprehensive income for the year</b>	-	49,995	49,995	(2,629)	47,366
Adjustment on acquisition of minority interest in subsidiary	-	(40,295)	(40,295)	10,738	(29,557)
Dividends paid 2019	-	(44,962)	(44,962)	(10,085)	(55,047)
<b>Balance at 31 December 2019</b>	<b>24,200</b>	<b>860,843</b>	<b>885,043</b>	<b>17,747</b>	<b>902,790</b>
<b>Total Comprehensive income for the year</b>	-	78,855	78,855	182	79,037
Dividends paid 2020	-	(17,055)	(17,055)	(946)	(18,001)
<b>Balance at 31 December 2020</b>	<b>24,200</b>	<b>922,643</b>	<b>946,843</b>	<b>16,983</b>	<b>963,826</b>



## Consolidated statement of cash flows

	Current period K'000	Previous corresponding period K'000
<b>Cash flows related to operating activities</b>		
Net Receipts less Supplier Payments	166,245	143,922
Interest received	7,416	7,938
Interest and other costs of finance paid	(16,406)	(14,502)
Income taxes paid	(3,388)	(25,503)
<b>Net operating cash flows</b>	<b>153,867</b>	<b>111,855</b>
<b>Cash flows related to investing activities</b>		
Purchases of property, plant and equipment	(68,549)	(94,250)
Proceeds from sale of property, plant and equipment	7,352	24,409
Dividends received from associates	8,619	23,488
Loans issued to associated companies	(17,879)	(22,846)
Investment in term deposits	(8,063)	-
<b>Net investing cash flows</b>	<b>(78,520)</b>	<b>(69,199)</b>
<b>Cash flows related to financing activities</b>		
Proceeds from borrowings	-	10,000
Repayment of borrowings	-	(10,000)
Loans repaid to associated companies	(10,798)	(31,732)
Purchase of additional shares in subsidiary	-	(40,379)
Lease Repayments	(5,719)	(5,248)
Dividends paid	(18,001)	(55,047)
<b>Net financing cash flows</b>	<b>(34,518)</b>	<b>(132,406)</b>
<b>Net increase/(decrease) in cash held</b>	<b>40,829</b>	<b>(89,750)</b>
Cash at beginning of period (see Reconciliation of cash)	99,089	188,839
<b>Cash at end of period</b> (see Reconciliation of cash)	<b>139,918</b>	<b>99,089</b>

## Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows.

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### Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period K'000	Previous corresponding period - K'000
Cash on hand and at bank	142,424	100,832
Bank overdraft	(2,506)	(1,743)
<b>Total cash at end of period</b>	<b>139,918</b>	<b>99,089</b>

### Other notes to the consolidated financial statements

<b>Ratios</b>	Current period	Previous corresponding Period
<b>Profit before tax / revenue</b> Consolidated profit from continuing operations before tax as a percentage of revenue	12.55%	11.33%
<b>Profit after tax / equity interests</b> Consolidated net profit from continuing operations after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	8.33%	5.65%

### Earnings per security (EPS)

Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of IAS 33: *Earnings Per Share* are as follows.

254.3 toea per share
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<b>NTA backing</b>	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	<b>K28.62</b>	<b>K26.65</b>

**Loss of control of entities having material effect**

Name of entity (or group of entities)

Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	
Date to which the profit (loss) in item 14.2 has been calculated	
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period (K'000)	
Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control (K'000)	

**Dividends (in the case of a trust, distributions)**

Date the dividend (distribution) is payable	30th July 2021
Record date to determine entitlements to the dividend (distribution) (i.e., on the basis of proper instruments of transfer received by 5.00 pm if securities are not CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if securities are CHES approved)	30 <sup>th</sup> April 2021
If it is a final dividend, has it been declared?	No

**Amount per security**

		Amount per security	Franked amount per security at 42% tax (see note 4)	Amount per security of foreign source dividend
<b>Final dividend:</b>	Current year	80t	NIL	80t
	Previous year	55t	NIL	55t
<b>Interim dividend:</b>	Current year	Nil	NIL	Nil
	Previous year	25t	NIL	25t

**Total dividend (distribution) per security (interim *plus* final)**

	Current year	Previous year
Ordinary securities	80t	80t
Preference securities	NIL	NIL

**Preliminary final report - final dividend (distribution) on all securities**

	Current period K'000	Previous corresponding period - K'000
Ordinary securities	24,807	17,055
Preference securities	Nil	Nil
Other equity instruments	Nil	Nil
<b>Total</b>	<b>24,807</b>	<b>17,055</b>

The dividend or distribution plans shown below are in operation.

Not applicable
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The last date(s) for receipt of election notices for the dividend or distribution plans

N/A
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Any other disclosures in relation to dividends (distributions).

None
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### Details of aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	Current period - K'000	Previous corresponding period - K'000
Profit (loss) from ordinary activities before tax	5,751	6,895
Income tax on ordinary activities	(1,725)	(1,885)
<b>Profit (loss) from ordinary activities after tax</b>	<b>4,026</b>	<b>5,010</b>
Extraordinary items net of tax	-	-
<b>Net profit (loss)</b>	<b>4,026</b>	<b>5,010</b>
Adjustments	-	-
<b>Share of net profit (loss) of associates and joint venture entities</b>	<b>4,026</b>	<b>5,010</b>

### Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities.

<i>Name of entity</i>	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) ( <i>item 1.10</i> )	
	Current period	Previous corresponding period	Current period K'000	Previous corresponding period - K'000
<b>Equity accounted associates and joint venture entities</b>				
a) Colgate-Palmolive (PNG)	50.0	50.0	3,866	4,085
b) Pacific Rumana	50.0	50.0	(15)	(1)
c) United Stevedoring	-	16.9	-	16
d) Riback Stevedoring	49.0	49.0	(23)	542
e) Makerio Stevedoring	45.0	45.0	113	28
f) Nikana Stevedoring	45.0	45.0	185	11
g) Harbourside Development	50.0	50.0	(178)	210
h) Viva No 31	50.0	50.0	(171)	385
i) Wonye	50.0	50.0	249	(61)
j) Morobe Terminals	-	42.9	-	(205)
<b>Total</b>			<b>4,026</b>	<b>5,010</b>
Other material interests			-	-
<b>Total</b>			<b>4,026</b>	<b>5,010</b>

**Issued and quoted securities at end of current period**

Category of securities	Total number	Number quoted	Issue price per security (toea)	Amount paid up per security (toea)
<b>Preference securities</b> <i>(description)</i>				
Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions				
<b>Ordinary securities</b>	31,008,237	31,008,237	N/A	N/A
Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks				
<b>Convertible debt securities</b> <i>(description and conversion factor)</i>				
Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				
<b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date (if any)</i>
	Issued during current period			
	Exercised during current period			
	Expired during current period			
<b>Debentures</b> <i>(description)</i>				
Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				

<p><b>Unsecured notes</b> <i>(description)</i></p> <p>Changes during current period</p> <p>(a) Increases through issues</p> <p>(b) Decreases through securities matured, converted</p>		
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### **Segment reporting**

(Information on the business and geographical segments of the entity must be reported for the current period in accordance with *IFRS 8: Segment Reporting* and for half year reports, *IAS 34: Interim Financial Reporting*. Because entities employ different structures a pro forma cannot be provided. Segment information in the layout employed in the entity’s accounts should be reported separately and attached to this report.)

*Refer attachment page 18.*

### **Comments by directors**

(Comments on the following matters are required by ASX or, in relation to the half yearly report, by *IAS 34: Interim Financial Reporting*. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.)

### **Basis of financial report preparation**

Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

Following the amalgamation of wholly-owned subsidiary, Consort Express Lines Ltd (“CEL”) with Steamships Ltd in 2019, previously unutilised tax losses from prior periods were made available.

A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

Nil

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

Nil

Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with *AASB 1029: Interim Financial Reporting*. Disclose changes in accounting policies in the preliminary final report in accordance with *AASB 1001: Accounting Policies-Disclosure*).

Nil

Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year.

Nil

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report.

Nil

## Additional disclosure for trusts

Number of units held by the management company or responsible entity or their related parties.

N/A

A statement of the fees and commissions payable to the management company or responsible entity.

N/A

Identify:

- initial service charges
- management fees
- other fees



## Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place	Steamships Trading Company Limited, Level 5, Harbourside West, Stanley Esplanade Port Moresby
Date	18 <sup>th</sup> June, 2021
Time	12.00 noon
Approximate date the annual report will be available	12 <sup>th</sup> April, 2021

## Compliance statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.

Identify other standards used

International Financial Reporting Standards
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- 2 This report, and the accounts upon which the report is based (if separate), use the same accounting policies.
- 3 This report does give a true and fair view of the matters disclosed (see note 2).
- 4 This report is based on accounts to which one of the following applies.

<input type="checkbox"/>
<input checked="" type="checkbox"/>

The accounts have been audited.

The accounts are in the process of being audited or subject to review.

<input type="checkbox"/>
<input type="checkbox"/>

The accounts have been subject to review.

The accounts have *not* yet been audited or reviewed.

- 5 The preliminary final report is based on accounts that are unaudited.
- 6 The entity has a formally constituted audit committee.

Sign here:

(Director & Company Secretary)

Date: 26<sup>th</sup> February 2021

Print name: Michael Scantlebury

## Segmental Reporting

### Divisional Segments

The group operates in the following commercial areas:

	<b>Hotels &amp; Property</b>	<b>Logistics</b>	<b>Finance, Investment &amp;Eliminations</b>	<b>Total</b>
	<b>K'000</b>	<b>K'000</b>	<b>K'000</b>	<b>K'000</b>
<b>2020</b>				
Total Revenue	197,520	339,148	3,738	540,406
Segment Results	53,697	14,750	(4,634)	63,813
Add: Share of Associate Profit	(116)	276	3,866	4,026
Total Segment result	53,581	15,026	(768)	67,839
Income tax expense	(15,537)	(6,233)	32,968	11,198
Group Profit	38,977	7,860	32,200	79,037
Segment assets	740,382	324,848	422,983	1,488,213
Segment liabilities	(242,585)	(148,902)	(132,900)	(524,387)
Net Assets	497,797	175,946	290,083	963,826
Capital expenditure	32,158	35,842	549	68,549
Depreciation	45,217	40,023	3,088	88,328
<b>2019</b>				
Total Revenue	222,621	358,507	4,040	585,168
Segment Results	68,701	5,592	(13,009)	61,284
Add: Share of Associate Profit	532	393	4,085	5,010
Total Segment result	69,233	5,985	(8,924)	66,294
Income tax expense	(18,310)	(2,994)	2,376	(18,928)
Group Profit	50,923	2,991	(6,548)	47,366
Segment assets	741,088	401,809	308,746	1,451,643
Segment liabilities	(259,406)	(282,185)	(7,262)	(548,853)
Net Assets	481,682	119,624	301,484	902,790
Capital expenditure	25,190	66,220	2,840	94,250
Depreciation	44,756	34,552	2,960	82,268

**1. Details of entities over which control has been gained or lost during the period**

Current Period

There were no changes in control over entities during the year.

Last Period

Steamships Trading Company Limited acquired the minority shareholding (29.76%) in Consort Express Limited in May 2019 to increase its shareholding to a fully owned subsidiary. As result of this acquisition, effective control in the associate companies of Consort Express Limited has increased and Morobe Terminals Limited and United Stevedoring Limited have changed from associates to subsidiaries.

**2. Basis of Accounting**

There were no changes in significant accounting policies and these were consistently applied in the current year.

**3. Income Tax Credit/ (Expense)**

The effective rate of tax charged differs from the statutory rate of 30% as follows;

	<b>Current period K'000</b>	<b>Previous corresponding period K'000</b>
Net profit before income tax	67,839	66,294
Prima facie tax on profit before income tax	(20,351)	(19,888)
Tax loss utilised in current year	28,015	-
Tax loss not recognised	-	(6,659)
Tax on non assessable income	2,200	5,073
Share of profit of associates and joint ventures	1,208	1,503
Other adjustments	126	1,043
	11,198	(18,928)

**4. Contingent Liabilities**

There were contingent liabilities at the Balance Sheet date as follows:

- (a) The parent entity has given a secured guarantee in respect of the bank overdrafts and loans of certain subsidiaries, associates and joint ventures.
- (b) The parent entity has given letters of comfort of continuing financial support in respect of certain subsidiaries, associates and joint ventures.

No losses are anticipated in respect of these guarantees.

**5. Comparatives**

Comparative figures have been adjusted to conform to changes in presentation in the current period.