



## Financial Statements

For the Six Months Ended 31 December 2017

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**Consolidated Statement of Comprehensive Income**

For the Six Months Ended 31 December 2017

Year Ended		Note	Six Months Ended	
			31-Dec-17 (Unaudited) \$000	31-Dec-16 (Unaudited) \$000
30-Jun-17 (Audited) \$000				
	<b>Revenue</b>			
2,848	Rents & Leases		1,636	1,304
9,152	Share of Joint Venture Company's Net Surplus	4	5,058	4,843
1,063	Revenue from Goods Sold		476	468
287	Farming Revenue		174	160
10	Interest Income		2	5
35	Dividends		24	11
53	Other		44	26
<u>13,449</u>	<b>Total Revenue</b>		<u>7,414</u>	<u>6,817</u>
	<b>Expenditure</b>			
764	Operational Expenses		496	346
960	Cost of Goods Sold		428	420
471	Land Rates & Lease Expenses		252	239
1,381	Administrative Expenses		710	678
195	Finance Costs		136	102
137	Depreciation Expense		109	67
<u>3,908</u>	<b>Total Expenditure</b>		<u>2,131</u>	<u>1,852</u>
<u>9,541</u>	<b>Trading Surplus</b>		<u>5,283</u>	<u>4,965</u>
-	Gain (Loss) on Sale of Property, Plant & Equipment	10	(23)	-
341	Revaluation of Investment Property		-	-
186	Fair Value Movements	7	47	61
<u>10,069</u>	<b>Operating Surplus Before Taxation</b>		<u>5,307</u>	<u>5,026</u>
19	Taxation Expense	8	10	1
<u>10,050</u>	<b>NET SURPLUS AFTER TAXATION</b>		<u>5,297</u>	<u>5,025</u>
	<b>Other Comprehensive Income</b>			
	<i>Items that will be recycled through profit and loss</i>			
253	Cash Flow Hedges - Gain (Loss) taken to Reserves (Northport Ltd)		(64)	337
(71)	Income Tax relating to items of Other Comprehensive Income (Northport Ltd)		18	(94)
	<i>Items that will not be recycled through profit and loss</i>			
344	Movement in Asset Revaluation Reserve		-	-
(125)	Share of Net Change in Revaluation Reserve (Northport Ltd)		-	-
<u>402</u>	<b>Total Other Comprehensive Income for Year</b>		<u>(46)</u>	<u>243</u>
<u>10,452</u>	<b>TOTAL COMPREHENSIVE INCOME</b>		<u>5,251</u>	<u>5,268</u>
	(attributable to Owners of the Company)			
24.33	Basic & Diluted Earnings Per Share (cents)		12.83	12.17

**Consolidated Statement of Changes in Equity**

For the Six Months Ended 31 December 2017

Six Months Ended 31 December 2017 (Unaudited)					
Share Capital	Retained Earnings	Asset Revaluation Reserve	Hedging Reserve (Joint Venture)	TOTAL	
\$000	\$000	\$000	\$000	\$000	
Opening Equity 1 July 2017	14,688	55,627	60,664	(536)	130,443
Net Surplus	-	5,297	-	-	5,297
Other Comprehensive Income	-	-	-	(46)	(46)
Total Comprehensive Income	-	5,297	-	(46)	5,251
Transactions with owners in their capacity as owners:					
Dividends Paid	-	(3,614)	-	-	(3,614)
Closing Equity 31 December 2017	14,688	57,310	60,664	(582)	132,080

Six Months Ended 31 December 2016 (Unaudited)					
Share Capital	Retained Earnings	Asset Revaluation Reserve	Hedging Reserve (Joint Venture)	TOTAL	
\$000	\$000	\$000	\$000	\$000	
Opening Equity 1 July 2016	14,688	51,359	60,444	(718)	125,773
Net Surplus	-	5,025	-	-	5,025
Other Comprehensive Income	-	-	-	243	243
Total Comprehensive Income	-	5,025	-	243	5,268
Transactions with owners in their capacity as owners:					
Dividends Paid	-	(3,202)	-	-	(3,202)
Closing Equity 31 December 2016	14,688	53,182	60,444	(475)	127,839

Year Ended 30 June 2017 (Audited)					
Share Capital	Retained Earnings	Asset Revaluation Reserve	Hedging Reserve (Joint Venture)	TOTAL	
\$000	\$000	\$000	\$000	\$000	
Opening Equity 1 July 2016	14,688	51,359	60,444	(718)	125,773
Net Surplus	-	10,050	-	-	10,050
Other Comprehensive Income	-	-	220	182	402
Total Comprehensive Income	-	10,050	220	182	10,452
Transactions with owners in their capacity as owners:					
Dividends Paid	-	(5,782)	-	-	(5,782)
Closing Equity 30 June 2017	14,688	55,627	60,664	(536)	130,443

**Consolidated Balance Sheet**

As at 31 December 2017

As at		As at	
30-Jun-17 (Audited) \$000	Note	31-Dec-17 (Unaudited) \$000	31-Dec-16 (Unaudited) \$000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
23,596		26,049	20,043
66,360		66,816	65,843
46,061	5	45,990	45,937
720	7	766	680
111	6	111	146
–		–	3
136,848		139,732	132,652
<b>Current Assets</b>			
135		80	430
716		819	538
37		83	39
128	6	128	114
–		–	8
1,016		1,110	1,129
4,250	10	–	–
5,266		1,110	1,129
142,114		140,842	133,781
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
14,688		14,688	14,688
55,627		57,310	53,182
60,664		60,664	60,444
(536)		(582)	(475)
130,443		132,080	127,839
<b>Non-Current Liabilities</b>			
9,850		7,650	4,900
618		744	479
10,468		8,394	5,379
<b>Current Liabilities</b>			
1,203		368	563
1,203		368	563
142,114		140,842	133,781

**Consolidated Cash Flow Statement**

For the Six Months Ended 31 December 2017

Year Ended		Six Months Ended	
		31-Dec-17 (Unaudited) \$000	31-Dec-16 (Unaudited) \$000
30-Jun-17 (Audited) \$000			
		Note	
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
	<i>Cash was provided from:</i>		
4,558	Cash from Customers	2,534	2,045
8,865	Dividends Received	5,107	4,841
10	Interest Received	2	5
-	Income Tax Refunded	-	-
13,433		7,643	6,891
	<i>Cash was applied to:</i>		
(3,683)	Cash paid to Suppliers & Employees	(2,133)	(1,834)
(195)	Interest Paid	(115)	(102)
(14)	Income Tax Paid	(10)	(8)
(3,892)		(2,258)	(1,944)
9,541	<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	5,385	4,947
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
	<i>Cash was provided from:</i>		
-	Sale of Property, Plant & Equipment	3,528	-
147	Earn Out Payment re Sale of Joint Venture	-	-
147		3,528	-
	<i>Cash was applied to:</i>		
(7,530)	Purchase of Property, Plant, Equipment	(2,722)	(631)
(1,996)	Purchase of and Improvements to Investment Property	(432)	(1,509)
(40)	Purchase of Shares – Fonterra Co-Operative	-	(20)
(9,566)		(3,154)	(2,160)
(9,419)	<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	374	(2,160)
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
	<i>Cash was provided from:</i>		
5,655	BNZ Bank Facility	-	705
	<i>Cash was applied to:</i>		
-	BNZ Bank Facility	(2,200)	-
(5,782)	Payment of Dividends	(3,614)	(3,202)
(127)	<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	(5,814)	(2,497)
(5)	<b>NET INCREASE (DECREASE) IN CASH HELD</b>	(55)	290
140	<b>ADD OPENING CASH BALANCE</b>	135	140
135	<b>CLOSING CASH BALANCE</b>	80	430

**Consolidated Operating Cashflow Reconciliation**

For the Six Months Ended 31 December 2017

Year Ended		Six Months Ended	
		31-Dec-17 (Unaudited) \$000	31-Dec-16 (Unaudited) \$000
30-Jun-17 (Audited) \$000			
	Note		
10,050	NET SURPLUS AFTER TAXATION	5,297	5,025
	<b>Add (Subtract) Non-Cash Items:</b>		
137	Depreciation Expense	109	67
4	Deferred Taxation	-	1
-	(Gain) Loss of Sale of Property, Plant & Equipment	23	-
(341)	Revaluation of Investment Property	-	-
(186)	Other Fair Value Movements	(47)	(61)
(323)	Share of Joint Ventures' Retained Surplus	24	(13)
(709)		109	(6)
	<b>Add (Subtract) Working Capital Items:</b>		
(326)	Movement in Receivables & Prepayments	(103)	(148)
-	Movement in Taxation Refundable	-	(8)
686	Movement in Payables	(835)	46
(2)	Movement in Inventory	(46)	(4)
358		(984)	(114)
347	Movement in Revenue in Advance	127	209
(505)	Non-Operating Items included in Working Capital Movements above	836	(167)
9,541	<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>5,385</b>	<b>4,947</b>

**Notes to the Consolidated Financial Statements**

For the Six Months Ended 31 December 2017

**Note 1****REPORTING ENTITY**

Marsden Maritime Holdings Limited (the "Company") is a company incorporated and domiciled in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange ("NZX"). It is a reporting entity for the purposes of the Financial Markets Conduct Act 2013 and is designated as a profit-orientated entity for financial reporting purposes.

**Note 2****BASIS OF PREPARATION**

These unaudited interim financial statements for the six months ended 31 December 2017 have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards and other applicable New Zealand Reporting Standards as appropriate for profit-orientated entities.

**Note 3****ACCOUNTING POLICIES**

These interim financial statements have been prepared in accordance with NZ IAS 34 Interim Financial Reporting using the same accounting policies and methods of computation as those published in the annual financial report for the year ended 30 June 2017. It is recommended that these interim financial statements be read in conjunction with the 2017 Annual Report.

**Note 4****SHARE OF JOINT VENTURE COMPANY'S NET SURPLUS**

Year Ended		Six Months Ended	
30-Jun-17 (Audited) \$000		31-Dec-17 (Unaudited) \$000	31-Dec-16 (Unaudited) \$000
	Northport Ltd (50% interest)		
12,154	Net Surplus before Taxation	6,753	6,459
<u>(3,071)</u>	Less Taxation	<u>(1,716)</u>	<u>(1,646)</u>
9,083		5,037	4,813
	Current period write back in respect of previous inter-entity asset sales		
69		21	30
<u>9,152</u>		<u>5,058</u>	<u>4,843</u>

**Notes to the Consolidated Financial Statements**

For the Six Months Ended 31 December 2017

**Note 5****INVESTMENT IN JOINT VENTURE COMPANY**

Year Ended		Six Months Ended	
30-Jun-17 (Audited) \$000		31-Dec-17 (Unaudited) \$000	31-Dec-16 (Unaudited) \$000
	Northport Ltd (50% interest)		
20,000	Shares Subscribed for	20,000	20,000
12,565	Share of Accumulated Surplus	12,520	12,295
(536)	Share of Hedging Reserve	(582)	(475)
15,431	Land Revaluation	15,431	15,556
(1,399)	Elimination re inter-entity asset sales	(1,379)	(1,439)
46,061		45,990	45,937

**Note 6****EARN OUT – NORTH PORT COOLSTORES (1989) LTD**

Under the terms and conditions of the sale of the stakeholding in North Port Coolstores (1989) Ltd, the Company is entitled to receive additional annual payments based on the actual level of revenues derived by the coolstore business during the five year period ending 31 March 2019.

The future value of anticipated future receipts has been based on the assumption that revenues for the remaining period will be 24% above the anticipated earn out threshold at the time of sale. A discount rate of 15% has been applied to the anticipated future receipts based on the uncertainty of the level of revenue which will be earned.

Year Ended		Six Months Ended	
30-Jun-17 (Audited) \$000		31-Dec-17 (Unaudited) \$000	31-Dec-16 (Unaudited) \$000
260	Opening Balance	239	260
(147)	Earn Out Payment Received	–	–
126	Fair Value Adjustment	–	–
239		239	260
128	Current Portion - within the next 12 months	128	114
111	Non-Current Portion - beyond the next 12 months	111	146
239		239	260



**Notes to the Consolidated Financial Statements**

For the Six Months Ended 31 December 2017

**Note 7****OTHER INVESTMENTS**

Year Ended		Six Months Ended	
30-Jun-17 (Audited) \$000		31-Dec-17 (Unaudited) \$000	31-Dec-16 (Unaudited) \$000
<u>720</u>	Fonterra Co-operative Shares	<u>766</u>	<u>680</u>

As at 31 December 2017 the Company and Group held 119,935 shares in Fonterra Co-operative Group Ltd having a disclosed fair value of \$6.39 per share (2016 - 113,343 shares at \$6.00 per share).

Fair Value Movement in Other Investments	Shares Held	Disclosed Fair Value Per Share		Fair Value Movement
		31-Dec-17	30-Jun-17	\$000
Fonterra Co-operative Group Ltd - Shares	119,935	6.39	6.00	47
Fair Value Movements in Other Investments recognised in Profit & Loss				<u>47</u>

**Note 8****TAXATION EXPENSE**

Year Ended		Six Months Ended	
30-Jun-17 (Audited) \$000		31-Dec-17 (Unaudited) \$000	31-Dec-16 (Unaudited) \$000
<u>10,069</u>	Net Surplus Before Taxation	<u>5,307</u>	<u>5,026</u>
2,819	Prima Facie Tax at 28%	1,486	1,407
	Adjusted for the Tax Effect of:		
(71)	Tax Paid Joint Venture Earnings	14	(1)
(2,472)	Imputed Dividend Receipts	(1,431)	(1,355)
(163)	Other Non-Assessable Income	(13)	(17)
(10)	Capitalised Interest Deducted for Tax Purposes	(13)	-
16	Non-Deductible Expenses	2	-
<u>(100)</u>	Carried Forward Losses Not Recognised (Recognised)	<u>(35)</u>	<u>(33)</u>
<u>19</u>		<u>10</u>	<u>1</u>
	Represented by:		
14	Current Taxation	10	-
<u>4</u>	Deferred Taxation	<u>-</u>	<u>1</u>
<u>19</u>		<u>10</u>	<u>1</u>

**Notes to the Consolidated Financial Statements**

For the Six Months Ended 31 December 2017

**Note 9****SEGMENT REPORTING**

	Six Months Ended 31 December 2017 (Unaudited)				
	Port Related Operations \$000	Property Holdings \$000	Marina & Commercial \$000	Other Activities \$000	TOTAL \$000
<b>Revenue</b>					
Revenue from External Customers	–	1,047	1,135	2	2,184
Share of Joint Venture Company's Net Surplus	5,058	–	–	–	5,058
Other Revenue from Joint Venture	–	162	–	10	172
<b>Total Segmental Revenue</b>	<b>5,058</b>	<b>1,209</b>	<b>1,135</b>	<b>12</b>	<b>7,414</b>
<b>Expenditure</b>					
Finance Costs*	–	–	–	136	136
Depreciation Expense	–	18	57	34	109
Other Expenditure	–	417	854	615	1,886
<b>Total Expenditure</b>	<b>–</b>	<b>435</b>	<b>911</b>	<b>785</b>	<b>2,131</b>
<b>Segmental Trading Surplus</b>	<b>5,058</b>	<b>774</b>	<b>224</b>	<b>(773)</b>	<b>5,283</b>
Gain (Loss) on Sale of Property, Plant & Equipment	–	(23)	–	–	(23)
Fair Value Movements	–	47	–	–	47
<b>Segmental Operating Surplus (Deficit) before Taxation</b>	<b>5,058</b>	<b>798</b>	<b>224</b>	<b>(773)</b>	<b>5,307</b>
Taxation Expense	–	–	–	10	10
<b>NET SURPLUS (DEFICIT) AFTER TAXATION</b>	<b>5,058</b>	<b>798</b>	<b>224</b>	<b>(783)</b>	<b>5,297</b>
<b>Total Segmental Assets</b>	<b>45,990</b>	<b>76,557</b>	<b>16,757</b>	<b>1,538</b>	<b>140,842</b>
<b>Total Segmental Liabilities</b>	<b>–</b>	<b>34</b>	<b>974</b>	<b>7,754</b>	<b>8,762</b>
<b>Non-Current Asset Additions</b>					
Property, Plant & Equipment	–	8	2,507	47	2,562
Investment Property	–	192	264	–	456

\* 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 2017

**Note 9****SEGMENT REPORTING (continued)**

	Six Months Ended 31 December 2016 (Unaudited)				
	Port Related Operations \$000	Property Holdings \$000	Marina & Commercial \$000	Other Activities \$000	TOTAL \$000
<b>Revenue</b>					
Revenue from External Customers	–	869	926	7	1,802
Share of Joint Venture Company's Net Surplus	4,843	–	–	–	4,843
Other Revenue from Joint Venture	–	162	–	10	172
<b>Total Segmental Revenue</b>	<b>4,843</b>	<b>1,031</b>	<b>926</b>	<b>17</b>	<b>6,817</b>
<b>Expenditure</b>					
Finance Costs*	–	–	–	102	102
Depreciation Expense	–	17	18	32	67
Other Expenditure	–	393	714	576	1,683
<b>Total Expenditure</b>	<b>–</b>	<b>410</b>	<b>732</b>	<b>710</b>	<b>1,852</b>
<b>Segmental Trading Surplus</b>	<b>4,843</b>	<b>621</b>	<b>194</b>	<b>(693)</b>	<b>4,965</b>
Gain (Loss) on Sale of Property, Plant & Equipment	–	–	–	–	–
Fair Value Movements	–	61	–	–	61
<b>Segmental Operating Surplus (Deficit) before Taxation</b>	<b>4,843</b>	<b>682</b>	<b>194</b>	<b>(693)</b>	<b>5,026</b>
Taxation Expense	1	–	–	–	1
<b>NET SURPLUS (DEFICIT) AFTER TAXATION</b>	<b>4,842</b>	<b>682</b>	<b>194</b>	<b>(693)</b>	<b>5,025</b>
<b>Total Segmental Assets</b>	<b>45,940</b>	<b>75,365</b>	<b>10,679</b>	<b>1,797</b>	<b>133,781</b>
<b>Total Segmental Liabilities</b>	<b>–</b>	<b>210</b>	<b>722</b>	<b>5,010</b>	<b>5,942</b>
<b>Non-Current Asset Additions</b>					
Property, Plant & Equipment	–	15	810	10	835
Investment Property	–	994	801	–	1,795

\* 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 2017

**Note 10****ASSETS HELD FOR SALE**

As at 30 June 2017 the Company was actively marketing a 43.87 hectare block of land for sale. Subsequently, on 9 November 2017 the sale of approximately 41.50 hectares of this land block was concluded with the Company retaining the residual area for the formation of an access roadway.

Land held as Assets Held for Sale as at 30 June 2017

*Less:*

Residual land retained for access roadway transferred to Property, Plant & Equipment

*Add:*

Associated selling costs with sale of land

Proceeds from sale of land

Loss on sale of asset

4,250

(300)

73

4,023

4,000

(23)

**Note 11****SUBSEQUENT EVENTS****Dividend Received**

Joint Venture company Northport Ltd declared a fully imputed dividend amounting to \$4,250,000 with payment to be made 28 February 2018.

**Dividend Declared**

On 22 February 2018 a fully imputed ordinary dividend of 6.75 cents per share was declared by the Board with payment to be made 23 March 2018.