

**CentrePort Limited Group
Unaudited and Condensed
Interim Financial Statements
for the Six Months Ended
31 December 2023**

CentrePort Limited Group
Unaudited Statement of Comprehensive Income
For the Six Months Ended 31 December 2023

		Six Months 31 December 2023 \$'000	Six Months 31 December 2022 \$'000	Year Ended 30 June 2023 \$'000
Revenue from Contracts with Customers	3	38,295	36,455	79,683
Other Revenue		<u>12,785</u>	<u>9,757</u>	<u>18,949</u>
Operating Revenue		51,080	46,212	98,632
Operating Expenses		<u>(48,273)</u>	<u>(43,585)</u>	<u>(90,862)</u>
Results from Operating Activities		2,807	2,627	7,770
Finance Expenses		(502)	(365)	(810)
Finance Income		<u>3,969</u>	<u>2,641</u>	<u>6,198</u>
Net Interest Income		3,467	2,276	5,388
Share of Profit of Investments Using the Equity Method		877	738	1,642
Net Gain on Disposal of Assets		367	3	(281)
Demolition Costs		<u>(17)</u>	<u>(128)</u>	<u>(531)</u>
Earnings before Changes in Fair Value and Tax		7,501	5,516	13,988
Changes in Fair Values				
Increase in Fair Value of Investment Property	7	<u>-</u>	<u>-</u>	<u>(1,509)</u>
		-	-	(1,509)
Profit / (Loss) before Income Tax		7,501	5,516	12,479
Income Tax (Expense) / Benefit	4	<u>(1,881)</u>	<u>(1,331)</u>	<u>(3,280)</u>
Profit for the Period from Continuing Operations, net of Tax		<u>5,620</u>	<u>4,185</u>	<u>9,199</u>
Other Comprehensive Income				
Increase in the Value of Port Land after Tax		<u>-</u>	<u>-</u>	<u>9,636</u>
Other Comprehensive Income		<u>-</u>	<u>-</u>	<u>9,636</u>
Total Comprehensive Income for the Period, net of Tax		<u>5,620</u>	<u>4,185</u>	<u>18,835</u>

CentrePort Limited Group
Unaudited Statement of Changes in Equity
For the Six Months Ended 31 December 2023

	Six Months 31 December 2023 \$'000	Six Months 31 December 2022 \$'000	Year Ended 30 June 2023 \$'000
Notes			
Total Equity at the Beginning of the Period	474,642	461,808	461,808
Profit / (Loss) for the Period from Continuing Operations, net of Tax	5,620	4,185	9,199
Increase in Value of Port Land after Tax	-	-	9,636
Dividends	-	-	(6,000)
Total Equity at End of the Period	<u>480,262</u>	<u>465,992</u>	<u>474,642</u>

CentrePort Limited Group
Unaudited Balance Sheet
As at 31 December 2023

		Six Months 31 December 2023	Six Months 31 December 2022 (Restated*)	Year Ended 30 June 2023
Notes		\$'000	\$'000	\$'000
ASSETS				
Current Assets				
Cash and Cash Equivalents	5	95,658	117,391	114,624
Trade and Other Receivables		19,177	17,845	12,313
Inventories		2,716	2,182	2,712
Current Tax Asset		-	243	-
Investment in Commercial Paper		<u>18,960</u>	<u>19,461</u>	<u>18,960</u>
Total Current Assets		<u>136,511</u>	<u>157,122</u>	<u>148,609</u>
Non-current Assets				
Property, Plant and Equipment	6	288,888	276,020	272,881
Investment Properties	7	86,125	62,788	86,125
Investment in Other Entities	10	13,287	13,306	13,210
Loans and Advances to Joint Ventures	10	9,857	9,347	9,934
Software		84	252	164
Right-of-use Asset		<u>2,327</u>	<u>2,536</u>	<u>2,442</u>
Total Non-current Assets		<u>400,568</u>	<u>364,249</u>	<u>384,756</u>
Total Assets		<u>537,079</u>	<u>521,371</u>	<u>533,365</u>
LIABILITIES				
Current Liabilities				
Trade and Other Payables		11,588	12,037	12,411
Lease Liabilities		160	-	173
Borrowings	9	12,000	11,000	12,000
Current Tax Liabilities		1,752	-	2,725
Provision for Employee Entitlements	8	<u>3,824</u>	<u>3,907</u>	<u>3,953</u>
Total Current Liabilities		<u>29,324</u>	<u>26,944</u>	<u>31,262</u>
Non-current Liabilities				
Deferred Tax Liabilities		24,976	25,616	24,869
Lease Liabilities		2,394	2,699	2,469
Provision for Employee Entitlements	8	<u>123</u>	<u>120</u>	<u>123</u>
Total Non-current Liabilities		<u>27,493</u>	<u>28,435</u>	<u>27,461</u>
Total Liabilities		<u>56,817</u>	<u>55,379</u>	<u>58,723</u>
Net Assets		<u>480,262</u>	<u>465,992</u>	<u>474,642</u>
EQUITY				
Contributed Equity		30,000	30,000	30,000
Revaluation Reserve*		58,783	49,147	58,783
Retained Earnings*		<u>391,479</u>	<u>386,845</u>	<u>385,859</u>
Total Equity		<u>480,262</u>	<u>465,992</u>	<u>474,642</u>

*See the 30 June 2023 financial statements for details of the restatement between revaluation reserves and retained earnings.

For and on behalf of the Board of Directors



L. Johnstone
Chairperson
28 February 2024



S. Haslem
Director
28 February 2024

CentrePort Limited Group
Unaudited Statement of Cash Flows
For the Six Months Ended 31 December 2023

	Six Months 31 December 2023 \$'000	Six Months 31 December 2022 \$'000	Year Ended 30 June 2023 \$'000
Cash Flows from / (used in) Operating Activities			
Receipts from Customers	47,393	44,275	99,397
Payments to Suppliers and Employees	(44,492)	(37,481)	(77,084)
Interest Income Received	3,048	1,499	4,859
Interest Expense Paid	(464)	(326)	(732)
Subvention Transfer	(3,000)	-	-
Income Taxation Refunded/(Paid)	257	(1,100)	(823)
Net Cash Flows from / (used in) Operating Activities	<u>2,742</u>	<u>6,867</u>	<u>25,617</u>
Cash Flows from / (used in) Investing Activities			
Proceeds from Sale of Property, Plant and Equipment	367	-	9
Purchase of Property, Plant and Equipment	(22,788)	(28,695)	(46,717)
Development of Investment Properties	-	(225)	(97)
Dividend Received	800	250	1,250
Purchase of Investment in Commercial Paper	-	-	(18,960)
Realisation of Investment in Commercial Paper	-	-	19,461
Loans and Advances to Joint Ventures	-	(2,347)	(2,400)
Net Cash Flows from / (used in) Investing Activities	<u>(21,620)</u>	<u>(31,018)</u>	<u>(47,455)</u>
Cash Flows from / (used in) Financing Activities			
Repayment of Lease Liabilities	(88)	(78)	(158)
Drawdown of Borrowings	-	-	1,000
Dividends Paid to Shareholders of the Parent	-	-	(6,000)
Net Cash Flows from / (used in) Financing Activities	<u>(88)</u>	<u>(78)</u>	<u>(5,158)</u>
Net (Decrease) / Increase in Cash and Cash Equivalents	(18,966)	(24,229)	(26,996)
Cash and Cash Equivalents at the Beginning of the Period	<u>114,624</u>	<u>141,620</u>	<u>141,620</u>
Cash and Cash Equivalents at the End of the Period	<u>5</u> 95,658	<u>117,391</u>	<u>114,624</u>

1 Statement of Compliance

CentrePort Limited (the 'Company' or 'CentrePort') is a profit-oriented entity established under the Port Companies Act 1988. CentrePort and subsidiaries (the 'Group') is a reporting entity for the purposes of the Companies Act 1993 and its financial statements comply with that Act and the Financial Reporting Act 2013. The Company's registered office is 2 Fryatt Quay, PO Box 794, Wellington, New Zealand.

2 Summary of Significant Accounting Policies

(a) Basis of Preparation of the unaudited, condensed, interim Financial Statements

The unaudited consolidated interim financial statements of CentrePort together with its subsidiaries and associates as at and for the six months ended 31 December 2023 have been prepared in accordance with the New Zealand equivalent to International Accounting Standard No. 34: 'Interim Financial Reporting', and Generally Accepted Accounting Practice in New Zealand (NZ GAAP). The financial statements do not contain all the disclosures normally included in an annual financial report and should be read in conjunction with the audited 30 June 2023 annual financial statements. The financial statements have been prepared using the New Zealand Dollar functional and reporting currency and have been rounded to the nearest thousand dollars (\$000), unless stated otherwise.

The financial statements have been prepared under the historical cost convention.

(b) Significant Accounting policies, estimates, and judgments

The same accounting policies and methods of computation are followed in the financial statements as compared with the most recent annual financial statements.

3 Disaggregation of Revenue

All of CentrePort's revenue from contracts with customers relates to Port Operations.

	Six Months 31 December 2023 \$'000	Six Months 31 December 2022 \$'000	Year Ended 30 June 2023 \$'000
Category			
Revenue from Port Operations	<u>38,295</u>	<u>36,455</u>	<u>79,683</u>
Total Revenue from Contracts with Customers	<u>38,295</u>	<u>36,455</u>	<u>79,683</u>

4 Income Tax

	Six Months 31 December 2023 \$'000	Six Months 31 December 2022 \$'000	Year Ended 30 June 2023 \$'000
The Income Taxation Expense is Represented By:			
Current Year Tax Expense	1,774	1,331	4,026
Deferred Tax Expense	<u>107</u>	<u>-</u>	<u>(747)</u>
Income Taxation (Benefit) / Expense	<u>1,881</u>	<u>1,331</u>	<u>3,280</u>

Relationship between income tax and accounting surplus

Net Surplus before Tax	<u>7,501</u>	5,516	<u>12,479</u>
Income Taxation on the Surplus for the Year at 28%	<u>2,100</u>	1,544	<u>3,494</u>
Taxation Effect of:			
Equity Earnings in Joint Ventures	(245)	(206)	(460)
Change in Fair Values of Investment Properties	-	-	422
Non-deductible Expenditure	5	36	65
(Recognition) of Deferred Tax on Buildings	-	-	76
Insurance Proceeds on non-depreciable assets	-	-	(85)
Prior Year Adjustments	-	-	(103)
Other Items	<u>22</u>	<u>(43)</u>	<u>(130)</u>
Income Tax (Benefit) / Expense	<u>1,881</u>	<u>1,331</u>	<u>3,280</u>

5 Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held on call with banks with less than 90 days maturity, and term deposits with greater than 90 days maturity, but which are available on demand within 90 days.

	Six Months 31 December 2023 \$'000	Six Months 31 December 2022 \$'000	Year Ended 30 June 2023 \$'000
Cash at bank and in hand	<u>95,658</u>	<u>117,391</u>	<u>114,624</u>
Total Cash and Cash Equivalents	<u>95,658</u>	<u>117,391</u>	<u>114,624</u>

6 Property, Plant and Equipment

	Port Land at Fair Value \$'000	Buildings at Cost \$'000	Wharves and Paving at Cost \$'000	Plant & Equipment at Cost \$'000	Work in Progress \$'000	Total \$'000
Year ended 30 June 2023						
Opening net book amount	115,313	9,203	63,544	40,923	25,155	254,138
Additions	13,339	-	-	8	32,574	45,921
Transfers from Work in Progress	23	2,387	15,219	8,955	(26,584)	-
Disposals	-	-	(293)	(18)	-	(311)
Reclassification	(24,925)	-	(3,078)	3,078	-	(24,925)
Increase in Fair Value (OCI)	9,636	-	-	-	-	9,636
Depreciation charge	-	(767)	(5,508)	(5,302)	-	(11,577)
Closing net book amount	<u>113,386</u>	<u>10,823</u>	<u>69,884</u>	<u>47,643</u>	<u>31,145</u>	<u>272,881</u>
Year ended 30 June 2023						
Cost	127,810	21,620	130,521	109,202	31,145	420,298
Provision for Land Resilience	(14,424)	-	-	-	-	(14,424)
Accumulated Depreciation & Impairment	-	(10,797)	(60,637)	(61,559)	-	(132,993)
Closing net book amount	<u>113,386</u>	<u>10,823</u>	<u>69,884</u>	<u>47,643</u>	<u>31,145</u>	<u>272,881</u>
Period ended 31 December 2023						
Opening net book amount	113,386	10,823	69,884	47,643	31,145	272,881
Additions	6,838	-	-	-	15,718	22,556
Transfers from Work in Progress	-	-	537	741	(1,277)	-
Disposals	-	(151)	-	(25)	-	(176)
Reclassification	-	-	43	(43)	-	-
Depreciation charge	-	(351)	(3,228)	(2,794)	-	(6,373)
Closing net book amount	<u>120,224</u>	<u>10,321</u>	<u>67,235</u>	<u>45,522</u>	<u>45,586</u>	<u>288,888</u>
At 31 December 2023						
Cost	127,810	21,115	131,100	109,866	45,586	435,477
Provision for Land Resilience	(7,586)	-	-	-	-	(7,586)
Accumulated Depreciation & Impairment	-	(10,794)	(63,865)	(64,344)	-	(139,003)
Closing net book amount	<u>120,224</u>	<u>10,321</u>	<u>67,235</u>	<u>45,522</u>	<u>45,586</u>	<u>288,888</u>

7 Investment Properties

	Developed Investment Properties \$'000	Land Available for Development \$'000	Total Investment Properties \$'000
Opening value 1 July 2022	31,767	30,850	62,617
Additions	155	106	261
Transfers from Operational Port Land	-	24,925	24,925
Increase / (decrease) in fair value	(1,252)	(256)	(1,509)
Disposals	(169)	-	(169)
Closing value at 30 June 2023	<u>30,500</u>	<u>55,625</u>	<u>86,125</u>
Opening value 1 July 2023	30,500	55,625	86,125
Additions	-	-	-
Closing value at 31 December 2023	<u>30,500</u>	<u>55,625</u>	<u>86,125</u>

Valuation

Investment properties are revalued every year. Investment properties were valued on 30 June 2023 by independent registered valuers of the firm Colliers International. The fair value of the investment properties at 30 June 2023 was \$86.1m.

8 Provision for Employee Entitlements

A provision for employee entitlements is recognised as a liability in respect of benefits earned by employees but not yet received at balance date when it is probable that settlement will be required and they are capable of being measured reliably. The present value is determined by discounting the future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liabilities.

	Six Months 31 December 2023 \$'000	Six Months 31 December 2022 \$'000	Year Ended 30 June 2023 \$'000
Current Liability	3,824	3,907	3,953
Non-current Liability	<u>123</u>	<u>120</u>	<u>123</u>
	<u>3,947</u>	<u>4,027</u>	<u>4,076</u>

9 Borrowings

	Six Months 31 December 2023 \$'000	Six Months 31 December 2022 \$'000	Year Ended 30 June 2023 \$'000
Current liabilities			
NZ Green Investment Finance	<u>12,000</u>	<u>11,000</u>	<u>12,000</u>

CentrePort has a \$15.0m debt facility with New Zealand Green Investment Finance (NZGIF) to accelerate investment into low carbon projects.

9 Borrowings (continued)

The Group has drawn down \$12.0m of the this facility at 31 December 2023 (30 June 2023: \$12.0m). The interest rate is based on BKBM (bankbill bid settlement) rate plus a margin payable on funds drawn. A commitment fee is also payable on the facility limit. The facility was renewed on 7 July 2023 for a term of 12-months. The Lender has first ranking security over all current and future assets held by the Group.

10 Related Party Transactions

Subsidiaries of CentrePort Ltd

Subsidiaries and joint ventures of CentrePort Ltd are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest held by the Group	
			31 December 2023	30 June 2023
CentrePort Properties Limited	Investment in special purpose vehicles	New Zealand	100	100
Direct Connect Container Services Limited	Warehousing and transportation	New Zealand	50	50
Harbour Quays D4 Limited	Commercial Rental Property	New Zealand	100	100
CentrePort Cook Strait Ferry Terminals Limited	Inactive	New Zealand	100	100
CentrePort Captive Insurance Limited	Captive Insurance Company	New Zealand	100	100
Dixon & Dunlop Limited	Earthmoving, groundworks and equipment hire	New Zealand	50	50
Marlborough Inland Hub Limited	Logistics services	New Zealand	50	50

Direct Connect Container Services Limited

CentrePort provided a secured and interest bearing long-term shareholder advance to Direct Connect Container Services Ltd of \$7.0m, in October 2021. Interest is payable on the principal of 7.0% per annum. Income from the loan for the period ended 31 December 2023 was \$246k (30 June 2023: \$490k). The loan is repayable on 29 November 2029.

During the year ended 30 June 2023, CentrePort provided a secured and interest bearing long-term shareholder advance to Direct Connect Container Services Ltd of \$1.9m. Interest is payable on the principal of 7.0% per annum. Income from the loan for the period ended 31 December 2023 was \$67k (30 June 2023: \$93k). The loan is repayable on 4 August 2025.

CentrePort has also provided unsecured advances of \$1.1m (30 June 2023: \$1.1m) to Direct Connect Container Services Limited. There is no interest charged on these advances and they are repayable on demand.

CentrePort Captive Insurance Limited

On 14 October 2022, the Reserve Bank of New Zealand granted a licence under The Insurance (Prudential Supervision) Act 2010 for CentrePort Captive Insurance Limited to operate as a captive insurance company. On 1 July 2023, CentrePort Captive Insurance Limited issued its first insurance contract, insuring \$20m of Material Damage and Business Interruption exposure to earthquake risk for CentrePort Ltd without any reinsurance contract purchased.

Dixon & Dunlop Limited

On 31 August 2021, CentrePort Limited purchased 50% of the shares in Dixon & Dunlop Limited for \$4.1m. Revenue from Dixon & Dunlop has been accounted for using the equity method. During the period, CentrePort received a cash dividend of \$800k (30 June 2023: \$1.25m).

10 Related Party Transactions (continued)

Marlborough Inland Hub Limited

During the year ended 30 June 2023, CentrePort provided a secured and interest bearing long-term shareholder loan to Marlborough Inland Hub Limited of \$500k. Interest is payable on the 30th of June each year or as otherwise provided by agreement at an interest rate of the OCR from time to time plus a margin of 1.5%. Income from the loan for the period ended 31 December 2023 was \$18k (30 June 2023: \$18k). The loan is repayable on demand.

Parent entities

CentrePort is 76.9% owned by WRC Holdings Ltd, a subsidiary of Greater Wellington Regional Council (GWRC) and 23.1% owned by MWRC Holdings Limited, a subsidiary of Manwatu-Wanganui Regional Council (trading as Horizons Regional Council).

The Group has a tax loss share arrangement with the Wellington Regional Council and Subsidiaries that allows the Group to purchase tax losses. During the period ended 31 December 2023, CentrePort transferred \$3.0m to GWRC under the Group's tax loss share arrangement, reducing CentrePort's tax liability recognised as at 31 December 2023.

As at 31 December 2023 the Group held \$18.96m (30 June 2023: \$18.96m) of unsecured Commercial Paper issued by GWRC. The Commercial Paper will mature on 18 March 2024 for \$20.0m.

11 Capital Commitments

At balance date commitments in respect of contracts for capital expenditure are \$426k (30 June 2023: \$322k).

12 Contingent Liabilities

CentrePort Limited and CentrePort Properties Limited were added as defendants on 27 April 2021 to proceedings commenced by Statistics New Zealand against Beca Limited and Dunning Thornton Consultants Limited. The proceedings concerned Statistics House which sustained damage and was subsequently demolished following the Kaikoura earthquake in November 2016. During the period ended 31 December 2023, CentrePort has settled the remaining claim against CentrePort Properties Limited and this matter is therefore no longer a Contingent Liability.

13 Contingent Asset

Following a shipping incident during the year CentrePort has made a claim for salvage services in respect of the assistance rendered by CentrePort tugs Tapuhi and Tiaki and the pilot launch Te Haa. CentrePort's salvage claim is guided by the Maritime Transport Act 1994, the International Convention on Salvage and relevant salvage awards published by Lloyds. CentrePort is working with the ship owner to agree an appropriate salvage reward.

14 Subsequent Events

On 28 February 2024, the Board of Directors resolved to pay an unimputed interim dividend of \$3.5m. The dividend will be paid on 29 February 2024.