Annual Report 2022

Marsden
MARITIME HOLDINGS LTD

Based in Marsden Point, Northland, Marsden Maritime Holdings (MMH) is a long-standing driver of the Northland economy.

With over 150 hectares of prime commercial property available immediately behind Northland's deep-water port and transport infrastructure, we are a key driver in Northland's growing economy. As a joint venture owner of Northport with Port of Tauranga, our vision is to enable the port's growth and actively invest in business ecosystems and infrastructure to transform Northland's economy.

This year's annual report presents key activity in our ecosystem-based strategy, introduces our Masterplan, updates on our sustainability journey, and includes MMH's financial information for the year ended 30 June 2022.

We look forward to continuing to deliver solid results for our shareholders and community as we work to deliver on our purpose of transforming Northland's economy.

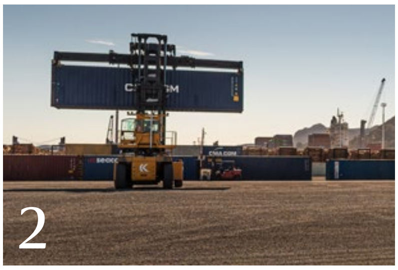
Financial Calendar

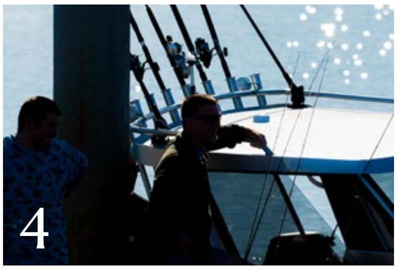
Annual Meeting
The Annual Meeting of shareholders of Marsden Maritime Holdings Ltd will be held at Marsden Point on 15 November 2022.

2023 Interim Profit Announcement
February 2023

Interim Dividend Payment
March 2023

Contents





Key Highlights

Financial

$11.2m
Value of development work undertaken on site during the period

$13.4m
Directly invested into local economy

$13.1m
Net profit after tax, down 8% from the same period last year

14.8%
Increase in revenue from the Group's property and marina operations to $6.2 million, up $0.8million from $5.4 million last year

$8.4m
Earnings from joint venture interest in Northport Ltd, down 11% from $9.5m last year

$3.7m
Lease revenue up 16% from $3.2m, due to completion of new developments

$3.9m
Growth in valuation of investment property

16¢/share
Total dividend distribution for the year. A fully imputed final dividend of 10 cents per share to be paid on 30 September 2022

Operational

2
Significant construction projects completed

Masterplan and development framework completed

Northport remains an integral player in the upper North Island supply chain

2,922,913
Tonnes of bulk cargo throughput at Northport, down 17.58% from 3,546,744 tonnes in the previous year

2,318,197
Log exports, accounting for 79% of volume in the current financial year

19,106 TEU
Annual container volumes, up on 13,451 TEU in the same period last year, in line with Northport's vision for growth

79%
Berth occupation at Marsden Cove Marina, maintaining high occupancy at both the marina and boatyard

75
Tenants (25 new)

250+
Employees associated with tenants' business

Executive Review

After another solid year, Marsden Maritime Holdings (MMH) has achieved significant progress against our business strategy and we are pleased to present our Masterplan which will underpin our work over the next 30 years and beyond.

It is an exciting time for both MMH and the region, with opportunities for growth as we support the strengthening of New Zealand's supply chain and remove congestion from other main ports across the country.

With improved connectivity from the Government's investment in rail and road improvements and Northport's development plans, we believe MMH is in a prime position to support Northland's social and economic growth.

Strategy and Masterplan

We're proud to play a significant role in Northland's economic development. Our purpose is to transform Northland's economy and we're excited about the future of our region.

Over the past 12 months, the Board and Senior Leadership Team completed the process of developing our Masterplan. The Masterplan is a key piece of work that sets out the future direction of our landholdings, aligns with our strategy and will allow us to take a structured and consistent approach to development over the next 30 years and beyond.

We have made decisions that deliver to the outcomes in our strategy with the long-term success of our stakeholders and the region at the heart. It's about making a meaningful impact in the Northland region, enabling the port's growth and actively investing to transform Northland's economy.

The health and wellbeing of our community and environment must be considered at every stage of development. We have continued to strengthen our relationship with Patuharakeke, who played a significant role in the development of our Masterplan.

Cultural landscape and amenity are key design drivers of our Masterplan which will underpin not only the significance of the area for Patuharakeke, but the wider sense of place of our development. Importantly, Patuharakeke will also support the wellbeing of the people who will work in this area, and the health of the wider ecosystems including the wetlands, harbour and coast.

Oruku

Our strategy and purpose have proven to be a useful and powerful tool to help identify upcoming opportunities for capital, economic and social investment into the region.

In May this year, we commenced due diligence to purchase the land under the proposed Oruku Landing conference and events centre in Whangārei. Under the terms of the deal, we would make the land available to a reputable community trust, under a long-term commercial lease, to develop and operate the conference and events centre.

The potential investment aligns with our purpose of transforming Northland's economy, and sits in our 'MMH Investment Network' ecosystem which expands the core of our business.

ESG

In last year's report we shared our ESG framework. As a listed company we understand the role we play to deliver for our shareholders through sustained returns, while also fulfilling our responsibilities to care for our community and the environment.

This year we have completed emissions profiling in collaboration with Oxygen Consulting to establish our baseline emissions inventory. This was a foundation step in our climate change and sustainability journey, and we're pleased to present the outcomes of this work in the report this year.

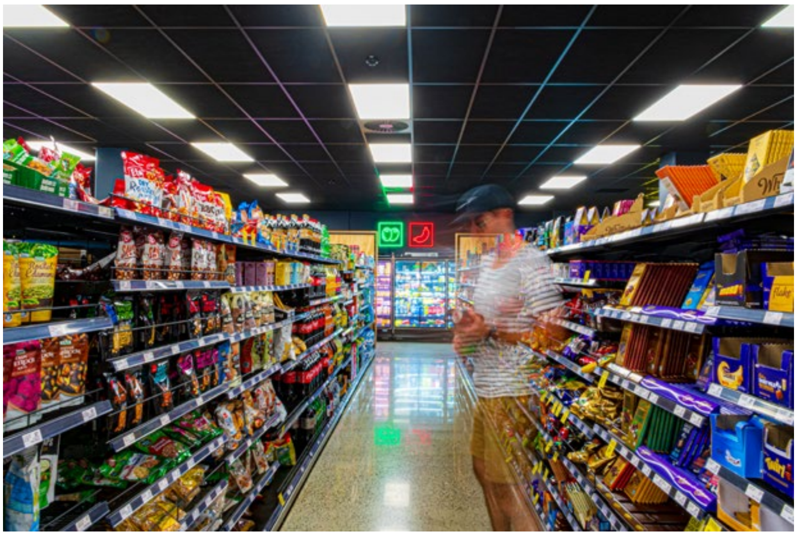
As we continue on our sustainability journey we recognise that we must take a more integrated approach. Next year, we commit to updating our materiality assessment and embedding our ESG framework alongside our strategy and Masterplan – bringing it to the centre of everything we do and holding ourselves accountable for delivering against it.

Financial

We recorded a net profit after tax of $13.107 million and underlying earnings of $9.127 million for the year, which was above the range provided in the trading update issued in April 2022. Off the back of a record year last year, the result was driven by solid growth in our commercial and marine ecosystems.

Lease revenue was $3.653 million, up from $3.153 million in the previous year, with two significant construction projects Kiteotara Stage II and Kitewhara commercial buildings completed and tenanted during the period. Over the last few years we have invested in strategic businesses with good lease structures and tenure, which is reflected in the $3.918 million Investment Property revaluation for the year.

Marina revenue (including Boatyard) was $2.509 million, up from $2.237 million, due to higher occupancy rates. The Marina continues to develop a solid reputation for the services it delivers and high berth occupancy at both the marina and boatyard over the last year has been maintained.



We're pleased to pay shareholders a fully imputed final dividend of 10 cents per share. This will bring the total dividend distribution for the year to 16 cents per share, down two cents from last year.

Northport

Earlier this year Northland Inc. released an independent report it commissioned to investigate the economic and related social impacts that an expansion of Northport would have on the Northland region. Northport plays an integral role in the upper north island supply chain and, with upgraded links to Auckland, the report recognises that it could help transform the Northland economy. The report highlights the potential economic benefits for Northland, including that an expansion of Northport is estimated to create an extra $160 million GDP per annum and approximately 1,500 new jobs by 2060, assuming efficient transport links to Auckland are established.

Earnings from our joint venture interest in Northport Ltd totalled $8.432 million, which is down from last year's record $9.525 million but largely in line with performance in previous years.

Bulk cargo throughput at Northport decreased by 17.58% to 2,922,913. Log exports of 2,318,197 tonnes accounted for 79% of volume in the current financial year, down from 80% in 2021. In line with Northport's vision for growth annual container volumes were up 42% on the previous financial year with 19,106 TEU handled.

Outlook

Over the past year we have taken time to continue working on our business, laying solid foundations so we can deliver on our purpose for our community and environment.

The Board and Senior Leadership Team are pleased to have our strategy and Masterplan in place and it is now time to focus and shape our business to execute this plan over the next three decades.

Murray Jagger
Chairman

Rosie Mercer
Chief Executive

Strategy and Masterplan

Our strategy has been in place for over two years now and it continues to guide business decisions as we deliver on our purpose of transforming Northland's economy. The strategy identifies four business ecosystems that make up our core business and two that expand the core.

Port ecosystem

Supporting the growth of Northport

We continue to receive interest in our port ecosystem with a strong level of inquiry from potential tenants who are attracted to the area due to its close proximity to, and connectivity with, the port. During the period MMH and Northport formed the Port Ecosystem Land Oversight Committee to collaborate on strategy and common interests in future land use.

We are nearing the completion of a 5,000m² bulk storage facility within close proximity of the port. This new facility will be tenanted by a bulk product importer under a long term lease.

Marine ecosystem

Reinforcing Marsden Point's reputation as a marine services hub

The marine ecosystem continues to develop a solid reputation for the services it delivers and high berth occupancy at both the marina and boatyard over the last year has been maintained. Marina Revenue (including Boatyard) was $2.509 million, up from $2.237 million, due to higher occupancy rates.

Another highlight has been the Marsden Cove Rejuvenation Project. We have commenced the design and planning to build the timber decking on the marina frontage for new retail stores and restaurants to overlook the marina. Construction will start in this financial year. This project continues delivering our vision to make Marsden Cove Village a destination.

Commercial ecosystem

Growing the local economy more generally

We have completed and tenanted two significant construction projects during the period. Kiteotara Stage II provides 12 × 150m² units for small and medium sized enterprises to base themselves while servicing the local area. Kitewhara has four units with tenants seeing the advantages to being located at Marsden Point, the units are suitable for retail, commercial and light manufacturing businesses. Combined, the new developments have added 4,200m² of floor space to our commercial ecosystem.

MMH Investment Network

Business opportunities outside MMH land that support the growth of MMH

During the reporting period, we commenced due diligence to purchase the land under the proposed Oruku Landing conference and multi-events centre in Whangārei.

Under the terms of the deal, we would make the land available to a public entity developer, under a long-term commercial lease, to develop and operate the conference and events centre.

Industrial ecosystem

Assisting the transformation of the wider Northland economy

In the reporting period we have begun discussions with several potential industrial tenants. Our completed Masterplan provides a blueprint for accommodating industrial tenants and ensuring land and, or, port access. We look forward to growing the industrial ecosystem as we implement this plan.

We have completed and tenanted two significant construction projects during the period. Kiteotara Stage II provides 12 × 150m² units for small and medium sized enterprises to base themselves while servicing the local area.

Our Strategy

TRANSFORMING NORTHLAND'S ECONOMY

PURPOSE

CORE VALUES

ALL ABOUT PEOPLE

COMMUNITY AT HEART

DRIVEN BY SUCCESS

EXCITED EVERYDAY

BE BRAVE

VISION

We will enable Northport's growth and actively invest in business ecosystems to transform Northland's economy.

STRATEGY

	Our Core Business				Expanding the Core	
BUSINESS ECOSYSTEMS	**Port** Developments that support the growth of Northport.	**Industrial** Developments that transform the Northland economy.	**Commercial** Developments that support the growth of the local economy.	**Marine** Developments that grow Marsden Point as a marine destination.	**Port Network** Business opportunities outside MMH land that support the growth of Northport.	**MMH Investment Network** Business opportunities outside MMH land that support the growth of MMH.
STRATEGIC PRIORITIES	Enable Northport's growth.	Grow industrial, commercial and marine ecosystems.			Develop opportunities to support growth off campus.	
KEY REQUIREMENTS	Joint decision process with Northport.	Foster innovative and transformational businesses.	Service the needs of the community.	Develop a premier marine service destination.	Develop opportunities that grow Northport off campus.	Deliver improved returns and fast growth to the balance sheet.
IMPACT	Unrestricted growth of Northport – realise vision for growth strategy.	Recognised by stakeholders as best in class in sustainable development.	Return on investment over life of asset.	Be complementary to existing operations. Enhance MMH's reputation as a Marina destination.	Actively grow Northport.	Support the company's financial growth.

OUTCOME

OUR PEOPLE

Our team, customers and investors are succeeding and are confident about Marsden Maritime Holdings.

MARSDEN MARITIME HOLDINGS

Long term value creation.

OUR REGION

Northland's economy is growing and transforming as a result of Marsden Maritime Holdings' investment.

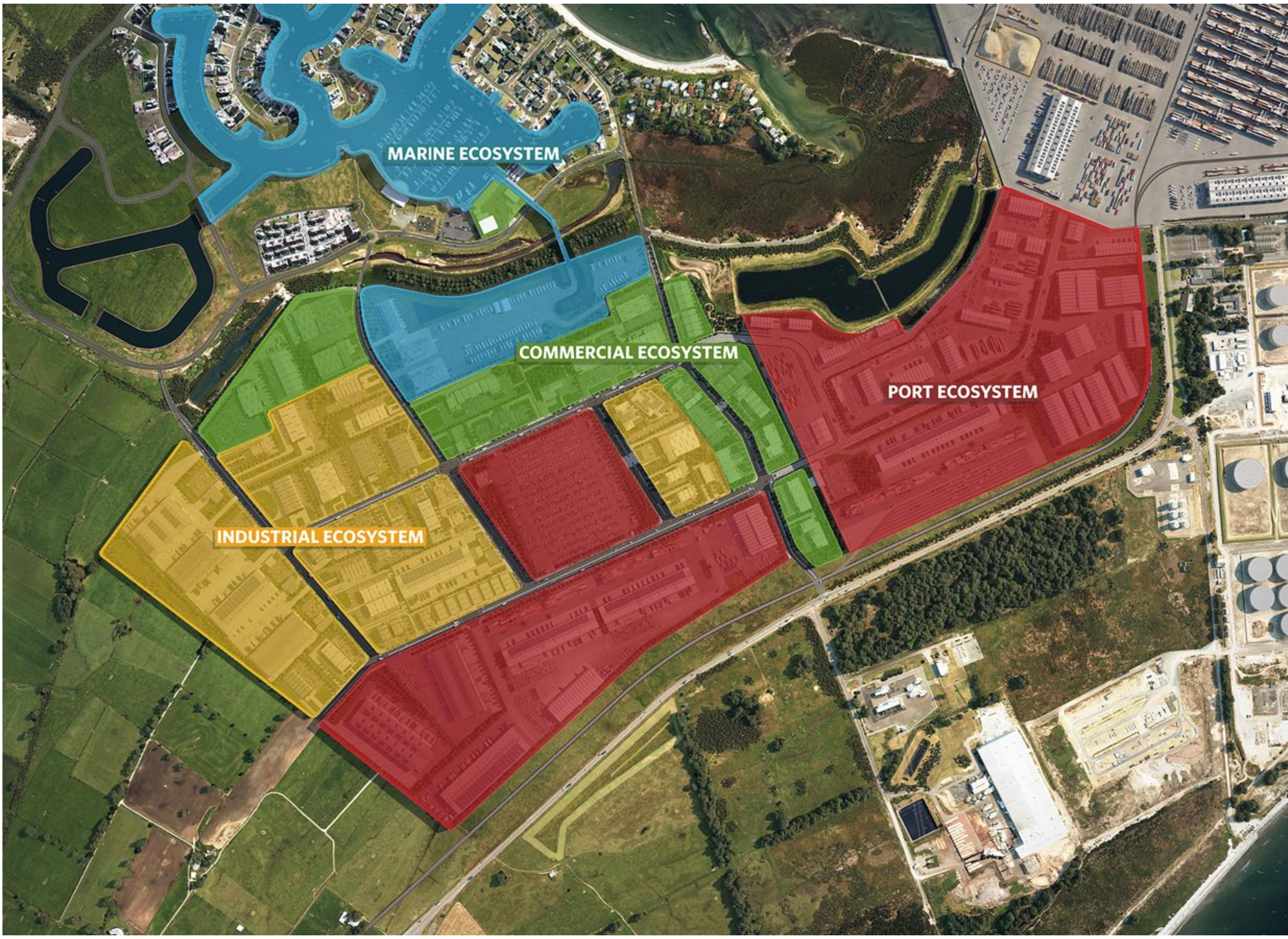
OUR ROLE

KAIHAUTU

NAVIGATORS IN A VOYAGING WAKA

Masterplan

We are pleased to have finalised our Masterplan that will allow us to deliver on our purpose of transforming Northland's economy. The Masterplan provides a robust blueprint that will guide Marsden Maritime's future activities over the next 30 years while driving sustainable social, environmental, and economic benefits.



With over 150 hectares of commercial and industrial zoned land immediately behind Northport, MMH is a significant land owner in a prime position to support Northland's social and economic growth.

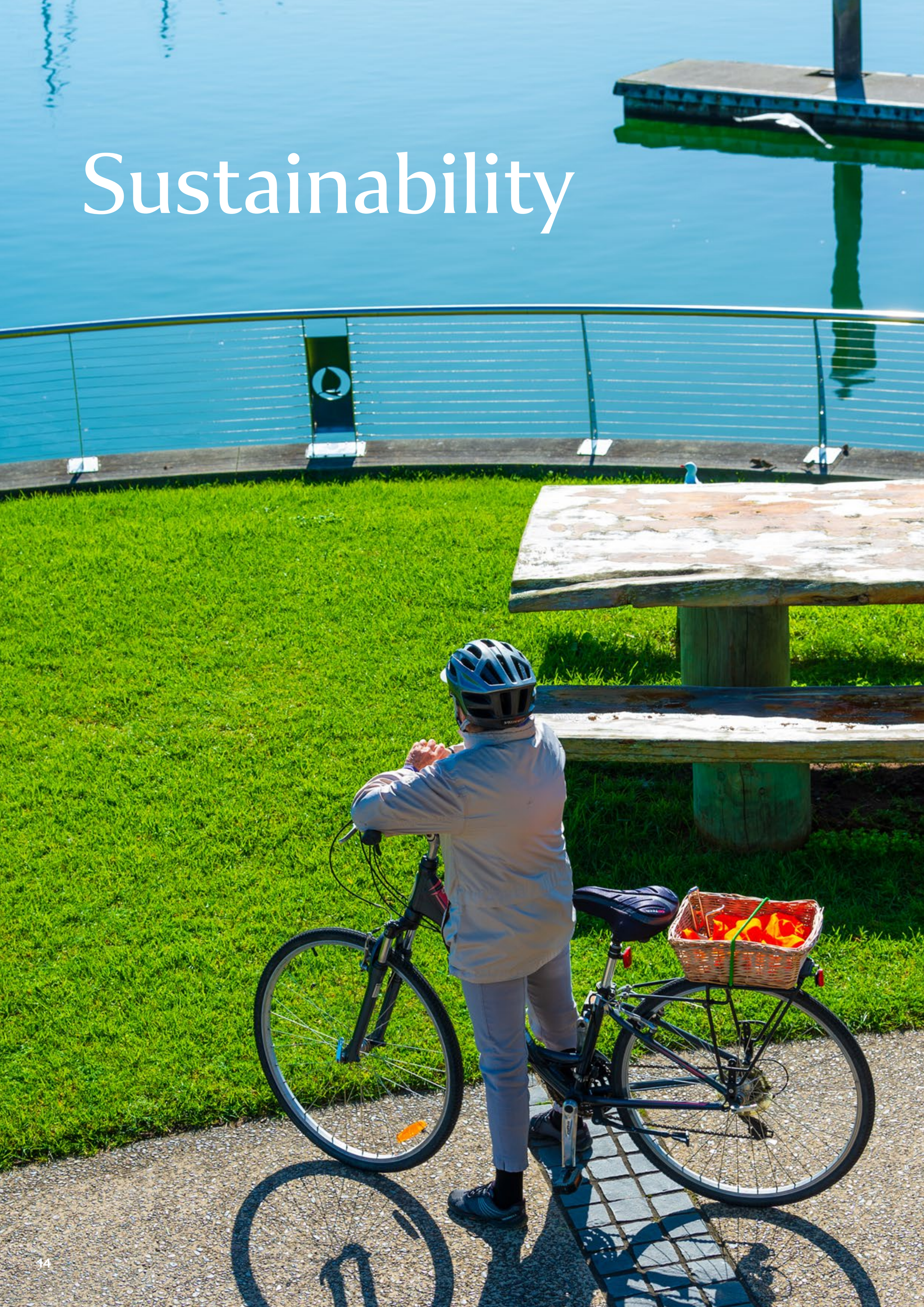
The Masterplan categorises areas of undeveloped land and sets out where development is best located across the site including spatial requirements, and required infrastructure and amenities investment to support it.

Aligning to our strategy the Masterplan divides land by our core ecosystems. The design has been tested and refined to confirm that they are well-located base on their spatial requirements, co-dependencies, reverse sensitivities, and access needs.

From here we must now move to preparing staging and sequencing of the development to ensure that delivery of the plan is efficient and meets the needs of our community and business, as well as focus and shape our business to execute this plan over the next 30 years.

We look forward to presenting more detail of our Masterplan at the 2022 Annual Meeting.

Sustainability



ESG Framework

Material Issues	Strategies	Recent Progress	UN Sustainable Development Goals
Health, Safety, and Wellbeing	Create and maintain a working environment that is safe from the hazards and risks arising from work and environment.	0 Lost Time Injuries (LTI) 0 Medical Time Injuries (MTI) Daily toolbox meetings with Boatyard team	3 GOOD HEALTH AND WELL-BEING 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Regional Development	Instigate and manage sustainable growth for each defined ecosystem. Reserve land to allow for the growth of Northport. Provide commercial developments that attract businesses that will serve the local community.	Finalised land use masterplan. Construction of a 5,000m^2 bulk storage facility in close proximity to the port. Attracted 25 new tenants during the year	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES
Responsible Land Use	Development that is long term focused and environmentally sound. Ensure developments fit with the community's expectations and are visually appealing.	Finalised land use masterplan Continued collaboration with Patuharakeke to opportunities to work together on future land development plans	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES
Responsible Landlord	Initiate quality engagement with our tenants through communication, timely action, health and safety, and asset management.	Responded to tenants' requests in a timely manner. Recognised the need for a robust property management system.	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES
Water Quality	Protect the marina and ocean environments from pollutants from land holdings.	Regular stormwater and marina monitoring as required by the resource consents for stormwater management and marina water quality.	14 LIFE BELOW WATER
Bio Security	Avoid or minimise pest incursions to protect native biodiversity.	Continued to part fund research methodologies for the reduction of fanworm in the Whangarei Harbour. Continued work towards achieving clean marina accreditation from the Marina Operators Association of New Zealand.	14 LIFE BELOW WATER 15 LIFE ON LAND
Community Engagement	Understanding our stakeholder community's needs and expectations. Invest in economic growth for Northland.	Supported Wish 4 Fish inclusive fishing charter along with other local community groups and charities.	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Climate Change		Baselined our greenhouse gas emissions	

Integration of ESG including climate-related risks and opportunities

In June 2020, we adopted our Environmental, Social and Governance (ESG) framework. The purpose of developing the framework was to identify and manage our environmental, social and governance impacts that align with our purpose to transform Northland's economy.

With growing maturity, we recognise the importance of a more integrated approach to addressing ESG risks and opportunities including climate change. Next year we will update our materiality assessment which will inform our approach to deeper integration of ESG into our governance, risk management, strategy, and metrics and targets. This work in the coming year will establish the foundations needed for MMH to meet the upcoming requirements to disclose climate-related risks under the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021.

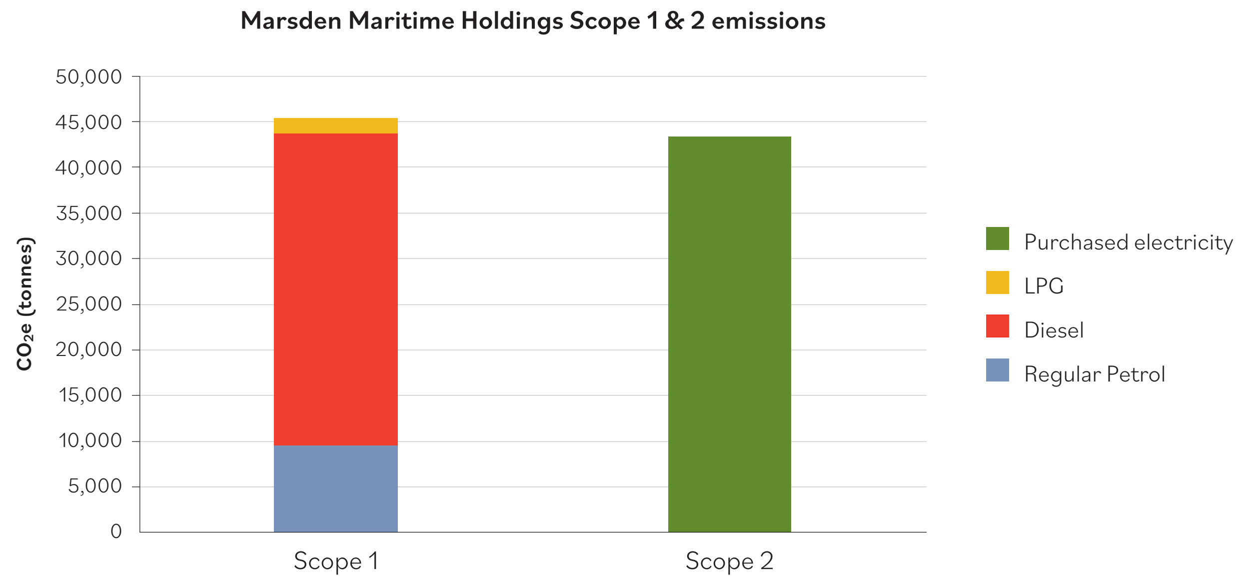
As a first step towards greater integration of climate-related impacts, we have established our base year emissions inventory. This has been prepared in accordance with the ISO14064-1:2018 Standard.

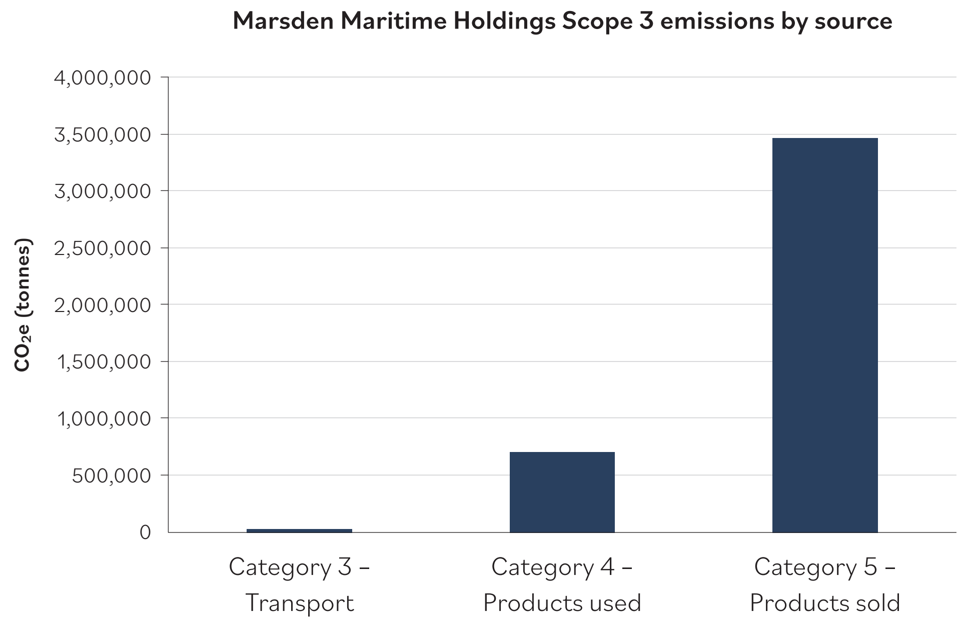
We supported the Wish 4 Fish inclusive fishing charter when it visited Marsden Cove Marina this year

Greenhouse gas emissions

To deliver on our purpose of transforming Northland's economy, we recognise our responsibility to care for the natural environment and our community. Understanding where we can make a difference starts with measurement, so this year we have begun to baseline Scope 1, 2 and 3 greenhouse gas (GHG) emissions.

Emissions scope	Emissions category	CO_2 (tonnes)	CH_4 (tonnes CO_2e)	N_2O (tonnes CO_2e)	CO_2e (gas breakdown not measured)	Total (tonnes CO_2e)
Scope 1	Category 1 – Direct emissions	44	0.2	1	n/a	45
Scope 2	Category 2 – Purchased electricity	42	1	0.1	n/a	43
Scope 3	Category 3 – Transportation	29	0.3	1	n/a	31
	Category 4 – Products used	4	0.7	0.4	705	708
	Category 5 – Products sold	2,883	453	138	n/a	3,466
Total Gross GHG emissions		**2,916**	**454**	**139**	**705**	**4,295**





Between the period of 1 April 2021 and 31 March 2022, our total Scope 1, 2 and 3 emissions were 4,295 tonnes of CO_2 equivalent (tCO_2e).

Our direct Scope 1 emissions were comprised entirely of fleet fuel, across diesel, petrol and LPG used in our forklifts and our indirect Scope 2 emissions included our use of purchased electricity.

Indirect Scope 3 emissions were comprised largely of the emissions associated with the transport, processing and use of fuel sold to customers through the GAS franchise at Marsden Cove Marina and the grazing of 280 non-dairy cattle.

One time construction emissions were excluded from measurement this year, however these will be completed next year so that we have a full baseline upon which to establish our greenhouse gas emissions reduction targets.

Board of Directors

Murray Jagger

Chairman Marsden Maritime Holdings Ltd

Member Remuneration Committee

Chair Board Nominations Committee

Chairman Northport Ltd

Mr Jagger is a long-standing resident of Northland where he runs a significant dairy and beef farming operation. He has a Diploma in Agriculture from Massey University and is a chartered fellow of the NZ Institute of Directors. Murray is the Chairman of Northport Ltd and Director of North Tugz Ltd. He is a deputy chief fire officer with Fire Emergency NZ. He is a former Director of Livestock Improvement Corporation and Cooperative Business NZ Inc. Murray joined the Board in October 2015 and is considered to be an Independent Director.

Kirsten Andrews

Director Marsden Maritime Holdings Ltd

Member Port Ecosystem and Land Oversight Committee

Ms Andrews has over 25 years experience in the property industry ranging from property development and strategy through to asset and transaction management. Kirsten's property acumen has been built off the back of ten years with St Lukes Group/Westfield where she held a range of roles including Shopping Centre Manager and Development Manager, and five years at Westpac where she held the roles of Senior Property Manager and seconded into the National Manager of Property role responsible for the Corporate Real Estate team, property strategy and stakeholder outcomes within Westpac. She has also held senior roles in property development including Ngai Tahu Property where she was responsible for master planning and full project lifecycle delivery. Kirsten who is a chartered member of the NZ Institute of Directors, joined the Board in November 2020 and is considered to be an Independent Director. Kirsten has also been recently appointed as an independent director for West Auckland Trust Services.

Mark Bogle

Director Marsden Maritime Holdings Ltd

Member Audit and Risk Committee

Director Marsden Cove Canals Management Ltd

Mr Bogle is a qualified Accountant and is a member of Chartered Accountants Australia and New Zealand. He also has a Master of Public Policy degree. He has a background in corporate governance, audit, finance and commerce and has energy and forestry sector experience at Executive or Director level. Mr Bogle is currently a director of Marsden Cove Canals Management Ltd, a director of Workbridge Incorporated, an Alternate Crown Trustee of the Crown Forestry Rental Trust and is a former Director of Habitat for Humanity NZ Ltd and Habitat for Humanity (Northland) Ltd. Mr Bogle joined the Board in October 2014 and is considered to be an Independent Director.

Tony Gibson

Director Marsden Maritime Holdings Ltd

Chair Remuneration Committee

Tony Gibson served as the Chief Executive Officer of Ports of Auckland Ltd, February 2011 to June 2021. He has more than 30 years' experience in shipping and logistics, and has worked in various senior roles in Africa, Asia and Europe, including European Director of Customer Operations, Rotterdam, before being appointed Managing Director P&O Nedlloyd, New Zealand and Pacific Islands in 2002. Following a take-over by Maersk, Tony served as Managing Director of Maersk New Zealand for three years. He is Chairman of North Tugz Ltd, and a Director and Shareholder of ERoad Ltd. Tony joined the Board of Marsden Maritime Holdings Ltd in April 2018 and is considered to be an Independent Director.

Benoît Marcenac

Director Marsden Maritime Holdings Ltd

Chair Port Ecosystem and Land Oversight Committee

Member Board Nominations Committee

Benoît has 30 years experience in the logistics, agri-food processing and trading sectors, through a number of executive positions held in Europe, the Middle-East, Africa, the Indian Ocean and South Pacific regions. In 2002, the Marcenac family settled in New Zealand and made it their new homeland. For close to 17 years, Benoît has been the Managing Director and Shareholder of Sofrana Unilines, a leading shipping company operating in the South Pacific. For the last 13 years, the Marcenac family has owned a farm in Northland and more time is being spent there. A private equity investor in companies which got successfully listed on the New Zealand Stock Exchange, Benoît is also a Director and Shareholder of Sofi Holdings Ltd which owns commercial properties in Auckland. More recently Benoît became a Director and Shareholder of Export Plus Ltd which exports food products from New Zealand to the South Pacific region. Benoît joined the Board in October 2019 and is considered to be an Independent Director.

Rabin Rabindran

Director Marsden Maritime Holdings Ltd

Member Audit and Risk Committee

Rabin is a professional director and also practices as a commercial barrister and international legal consultant specialising in the fields of construction, infrastructure development, energy and transport. Rabin has been involved with major projects in New Zealand and in over 25 other countries. He has worked with the World Bank, major corporations in both New Zealand and internationally and acted for Governments, state corporations and local authorities. Rabin is currently the Chairman of the Bank of India (NZ). His previous roles included Chair of Auckland Regional Transport Authority, Deputy Chairman Manukau District Health Board, Director New Zealand Health Partnerships, Solid Energy New Zealand, Auckland Transport, Swift Energy New Zealand and other subsidiaries of Swift Energy Company of Houston, Manukau Water, Tomorrow's Manukau Properties, TMPL (Flat Bush) and MBF Carpenters, an Australian public company. Rabin joined the Board in October 2019 and is considered to be an Independent Director.

Hamish Stevens

Director Marsden Maritime Holdings Ltd

Chair Audit and Risk Committee

Member Remuneration Committee

Director Northport Ltd

Mr Stevens has had considerable experience in a number of senior corporate roles including both operational and financial management in large companies such as DB Breweries Ltd and Heinz-Watties Ltd. Hamish has been an independent director on several boards since 2010 and is currently Chairman of Evolve Education Group, Pharmaco, The Kennedys and East Health Services. Hamish is also a Director of Radius Care and Counties Energy. Mr Stevens is a Chartered Fellow of the Institute of Directors and a qualified chartered accountant with an MCom(Hons) and MBA from the University of Auckland. Mr Stevens joined the Board in October 2018 and is considered to be an Independent Director.

Statutory Information

Auditors

Under Section 19 of the Port Companies Act, 1988, the Auditor-General is the Auditor of the Company and Group. Pursuant to Section 32 of the Public Audit Act 2001, Lloyd Bunyan of the firm Ernst & Young was appointed by the Office of the Auditor-General to undertake the Audit on its behalf.

Directors' Shareholdings

Pursuant to section 148(1) of the Companies Act 1993 the following are the relevant interests in the Company's shares as advised by the Directors.

	Shares in which the Director has a Beneficial Interest Solely or as a Joint Holder		Shares in which the Director has a Non-Beneficial Interest		Shares held by Associated Persons of the Director	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
K Andrews						
M Bogle	25,000	25,000	-	-	-	-
T Gibson	-	-	-	-	-	-
M Jagger	-	-	-	-	-	-
B Marcenac	-	-	-	-	-	-
R Rabindran	-	-	-	-	-	-
H Stevens	-	-	-	-	-	-

There were no share transactions during the period 1 July 2021 to 30 June 2022.

Directors' Interests

The following are particulars of general disclosures of interest by Directors of Marsden Maritime Holdings Ltd holding office at 30 June 2022 pursuant to section 140(2) and section 211(1)(e) of the Companies Act 1993.

During the year, the Board authorised the renewal of the Directors' and Officers' insurance cover as at 30 September 2021 for a period of 12 months and has certified, in terms of section 162 of the Companies Act 1993, that this cover is fair to the Company.

Mark Bogle

Trading Enterprises Incorporated Ltd	Director/Shareholder
Crown Forestry Rental Trust	Alternate Crown Trustee
Marsden Cove Canals Management Ltd	Director
Workbridge Incorporated	Director

Tony Gibson

North Tugz Ltd	Chairman
AMG Consulting Ltd	Director
ERoad Financial Services Ltd	Director
ERoad Ltd	Director/Shareholder
Seafuels Ltd	Director (ceased July 2021)
Waikato Freight Hub	Director (ceased July 2021)
Nexus Logistics Ltd	Chairman (ceased July 2021)
Conlinxx Ltd	Chairman (ceased July 2021)

Murray Jagger (Chairman)

Manaia View Farms Ltd	Director
Northport Ltd	Chairman
North Tugz Ltd	Director
Taurikura Farms Ltd	Director/Shareholder (appointed December 2021)

Benoit Marcenac

Fresha Export Ltd	Director (resigned February 2022)
Sofi Holdings Ltd	Director/Shareholder
Te Hana Consulting Ltd	Director/Shareholder
TradeWindow Ltd	Advisor to the Board (resigned November 2021)

Rabin Rabindran

Bank of India (NZ)	Chairman
RSR Legal Consultants Ltd	Director
RSR Projects International Ltd	Director
NZ Liaoning Int. Investment and Development Co Ltd	Director

Hamish Stevens

The Kennedys Ltd	Chairman
East Health Services Ltd (and subsidiaries)	Chairman
Counties Energy Ltd (and subsidiaries)	Director
Pharmaco Ltd (and subsidiaries)	Chairman
Northport Ltd	Director
Evolve Education Group Ltd	Chairman
Radius Residential Care Ltd	Director

Kirsten Andrews

KIA Property Consulting Limited	Director

Directors' Remuneration and Benefits

Fees paid to Directors of the Company during the 12 month period were as follows:

	MMH Director Fees	Northport Director Fees
K Andrews	$33,500	
M Bogle	$33,500	-
T Gibson	$38,500	-
M Jagger	$67,500	*$62,500
B Marcenac	$33,500	-
R Rabindran	$33,500	-
H Stevens	$43,500	$25,000
	$283,500	**$87,500**

* $12,500 of which relates to Mr Jagger's position as a director of North Tugz Limited

Net Tangible Assets per Security

Net tangible assets per security as at 30 June 2022: $4.00 (30 June 2021: $3.64)

Remuneration of Employees

The number of employees whose total annual remuneration including salary, employer's contributions to superannuation and health schemes, and other sundry benefits received in their capacity as employees exceeded $100,000 was within the specific bands as follows:

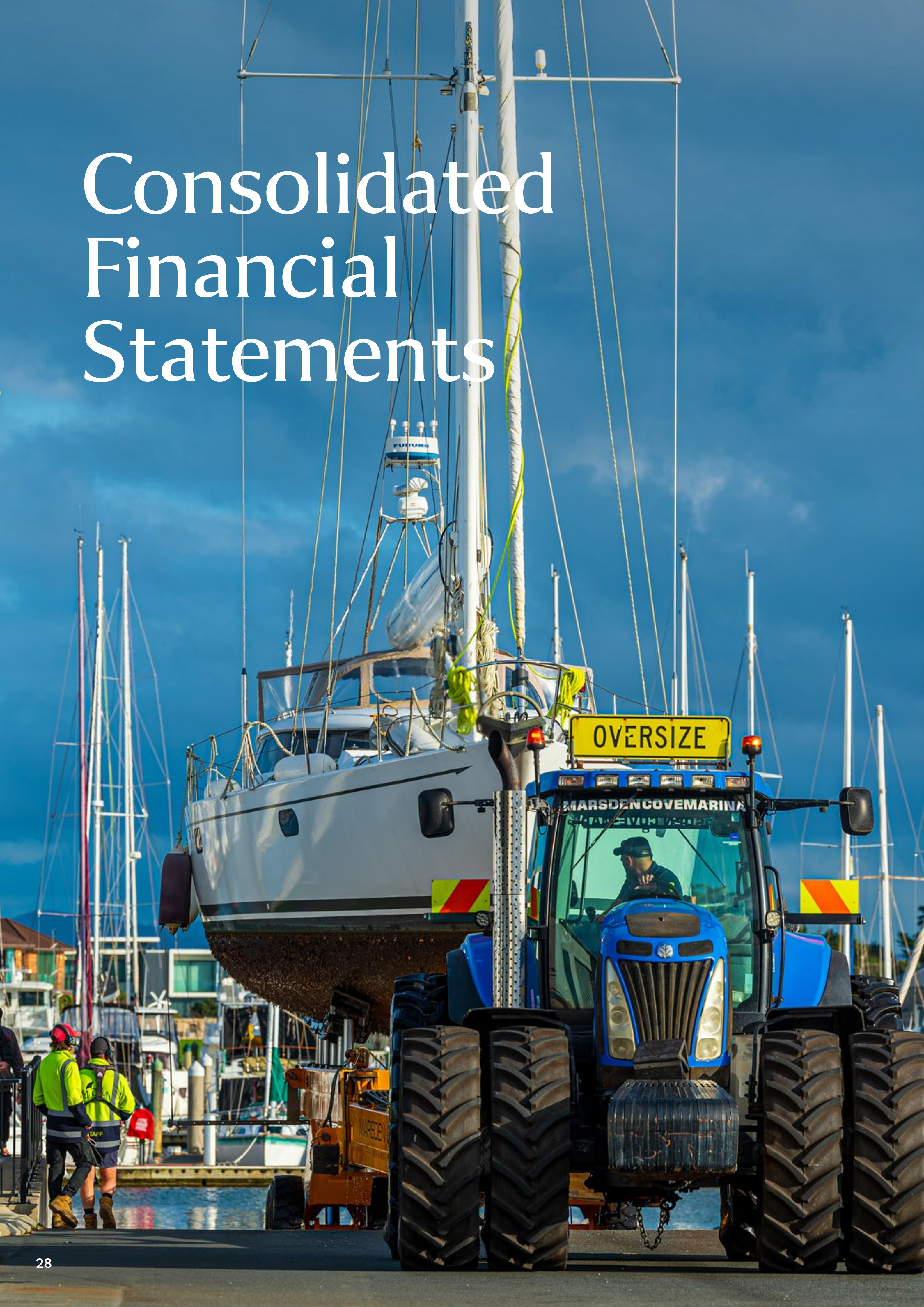
Remuneration Range	Number of Employees	
	2022	2021
$100,001 – $110,000	-	1
$110,001 – $120,000	1	1
$130,001 – $140,000	-	-
$140,001 – $150,000	-	1
$150,001 – $160,000	1	-
$160,001 – $170,000	-	1
$200,001 – $210,000	1	-
$280,001 – $290,000	-	1
$300,001 – $310,000	1	-

Murray Jagger
Chairman

Hamish Stevens
Director

25 August 2022

Consolidated Financial Statements



Contents

Consolidated Statement of Profit or Loss

For the Year Ended 30 June 2022

	Note	30 June 2022 $	30 June 2021 $
Income			
Lease revenue		3,653,165	3,152,607
Marina operations		2,509,276	2,237,239
Revenue from goods sold		2,324,575	1,499,707
Other income		230,372	333,466
Operating income		**8,717,388**	**7,223,019**
Expenses			
Operating expenses	3.1	(1,750,706)	(1,627,027)
Cost of goods sold		(2,115,157)	(1,308,712)
Land rates and lease expenses	3.2	(632,772)	(415,496)
Administrative expenses	3.3	(2,149,050)	(1,817,120)
Depreciation		(542,148)	(530,218)
Other expenses		(6,605)	-
Operating expenses		**(7,196,438)**	**(5,698,573)**
Revaluation of investment property	5	3,918,404	3,654,874
Fair value movements	14	(103,144)	2,399
Operating profit/(loss)		**5,336,210**	**5,181,719**
Finance income		218	783
Finance expenses	3.4	(828,926)	(423,846)
Net finance expenses		**(828,708)**	**(423,063)**
Share of profit from joint venture	7	8,431,879	9,524,855
Profit before income tax		**12,939,381**	**14,283,511**
Income tax benefit/(expense)	13	168,026	(23,581)
Net profit after tax (attributable to owners of the company)		**13,107,407**	**14,259,930**
Basic and diluted earnings per share (cents)	12.2	31.74	34.53

The accompanying notes form an integral part of these Financial Statements.

Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2022

	Note	30 June 2022 $	30 June 2021 $
Net profit after tax		**13,107,407**	**14,259,930**
Other comprehensive income			
Items that will be recycled through profit and loss			
Cash flow hedges – gain (loss) taken to reserves		1,868,471	689,104
Income tax relating to items of other comprehensive income		(523,172)	(192,949)
	4.2	**1,345,299**	**496,155**
Items that will not be recycled through profit and loss			
Movement in asset revaluation reserve net of tax	6	(2,356,830)	1,224,521
Share of movement in revaluation reserve (Northport Ltd)	7	10,173,761	3,498,508
		7,816,931	**4,723,029**
Total other comprehensive income		**9,162,230**	**5,219,184**
Total comprehensive income for the period (attributable to owners of the company)		**22,269,637**	**19,479,114**

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2022

	Share Capital $	Retained Earnings $	Revaluation Reserve $	Hedging Reserve $	TOTAL $
Balance at 1 July 2021	**14,688,144**	**69,533,198**	**66,569,850**	**(604,702)**	**150,186,490**
Net profit after tax	–	13,107,407	–	–	13,107,407
Other comprehensive income	–	–	7,816,931	1,345,299	9,162,230
Total comprehensive income	**–**	**13,107,407**	**7,816,931**	**1,345,299**	**22,269,637**
Dividends to shareholders	–	(7,124,363)	–	–	(7,124,363)
Balance at 30 June 2022	**14,688,144**	**75,516,242**	**74,386,781**	**740,597**	**165,331,764**
Balance at 1 July 2020	**14,688,144**	**61,881,374**	**61,846,821**	**(1,100,857)**	**137,315,482**
Net profit after tax	–	14,259,930	–	–	14,259,930
Other comprehensive income	–	–	4,723,029	496,155	5,219,184
Total comprehensive income	**–**	**14,259,930**	**4,723,029**	**496,155**	**19,479,114**
Dividends to shareholders	–	(6,608,106)	–	–	(6,608,106)
Balance at 30 June 2021	**14,688,144**	**69,533,198**	**66,569,850**	**(604,702)**	**150,186,490**

The accompanying notes form an integral part of these Financial Statements.

Consolidated Balance Sheet

For the Year Ended 30 June 2022

	Note	30 June 2022 $	30 June 2021 $
Assets			
Non-current assets			
Investment property	5	108,880,000	93,445,450
Property, plant and equipment	6	28,566,453	31,823,561
Investment in joint venture company (Northport Ltd)	7	61,448,056	51,493,721
Other investments	14	347,812	450,956
Deferred Tax Asset	13.2	7,272	–
Financial Assets	4.1	672,029	–
Total non-current assets		**199,921,622**	**177,213,688**
Current assets			
Cash and deposits		230,201	153,510
Receivables and prepayments	8	260,922	278,096
Inventory		158,742	93,733
Total current assets		**649,865**	**525,339**
Total assets		**200,571,487**	**177,739,027**
Equity			
Share capital	12.1	14,688,144	14,688,144
Retained earnings		75,516,242	69,533,198
Asset revaluation reserve		74,386,781	66,569,850
Hedging reserve	4.2	740,597	(604,702)
Total equity		**165,331,764**	**150,186,490**
Liabilities			
Non-current liabilities			
Bank loans - non-current portion	10	24,000,000	13,950,000
Revenue in advance	11	1,860,279	1,747,390
Total non-current liabilities		**25,860,279**	**15,697,390**
Current Liabilities			
Payables	9	1,829,444	1,855,147
Bank loans - current portion	10	7,550,000	10,000,000
Total current liabilities		**9,379,444**	**11,855,147**
Total liabilities		**35,239,723**	**27,552,537**
Total equity and liabilities		**200,571,487**	**177,739,027**

For and on behalf of the board of directors who authorised the issue of this financial report on 25 August 2022.

Chairman

Director

The accompanying notes form an integral part of these Financial Statements.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2022

	Note	30 June 2022 $	30 June 2021 $
Cash flows from operating activities			
Receipts from customers		8,789,265	8,188,207
Dividends received		9,528,734	8,307,101
Interest received		218	783
Payments made to suppliers and employees		(6,469,642)	(5,205,845)
Interest paid	3.4	(987,070)	(534,894
Income tax paid		(27,414)	(23,581)
Net cash flow from operating activities		**10,834,091**	**10,731,771**
Cash flows from investing activities			
Sale of property, plant and equipment		4,764	–
Purchase of property, plant and equipment		(428,930)	(1,119,109)
Purchase of and improvements to investment property		(10,808,871)	(10,395,549)
Net cash flow from investing activities		**(11,233,037)**	**(11,514,658)**
Cash flows from financing activities			
Proceeds from borrowings		7,600,000	7,400,000
Payment of dividends	12.3	(7,124,363)	(6,608,106)
Net cash flow from financing activities		**475,637**	**791,894**
Net increase/(decrease) in cash held		**76,691**	**9,007**
Opening cash balance		**153,510**	**144,503**
Closing cash balance		**230,201**	**153,510**

The accompanying notes form an integral part of these Financial Statements.

Consolidated Operating Cash Flow Reconciliation

For the Year Ended 30 June 2022

	Note	30 June 2022 $	30 June 2021 $
Net profit after tax		**13,107,407**	**14,259,930**
Non-cash item			
Depreciation expense		542,148	530,218
Gain/(Loss) on sale of property,plant and equipment		3,198	-
Revaluation of investment property	5	(3,918,404)	(3,654,874)
Other fair value movements	14	103,144	(2,399)
Share of profit from joint venture (net of dividends)	7	1,080,864	(1,229,748)
		(2,189,050)	**(4,356,803)**
Movements in working capital			
Change in receivables and prepayments		17,174	31,118
Change in payables		(25,703)	777,592
Change in tax payable		(7,272)	–
Change in inventory		(65,009)	(21,431)
		(80,810)	**787,279**
Movement in revenue in advance		**112,889**	**879,899**
Non-operating items included in working capital movements above		**(116,345)**	**(838,534)**
Net cash flow from operating activities		**10,834,091**	**10,731,771**

The accompanying notes form an integral part of these Financial Statements.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

1. GENERAL INFORMATION

1.1. Reporting entity

The financial statements are for Marsden Maritime Holdings Limited, a registered port company under the Port Companies Act 1988, (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.

The Group's operations principally comprise of its 50% stakeholding in the deep water port facility at Marsden Point together with its substantial land holdings in the adjacent area. The Group also owns and operates the Marsden Cove Marina complex which consists of a 236 berth marina, adjoining commercial complex and boatyard facility.

1.2. Basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice (GAAP) and the Financial Markets Conduct Act 2013. They comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other guidance as issued by the External Reporting Board, as appropriate for profit-oriented entities, and with International Financial Reporting Standards.

The financial statements have also been prepared on a historical cost basis, except for the revaluation of certain non-current assets and financial instruments as described below. All financial information is presented in New Zealand Dollars.

1.3. Basis of consolidation

The Group financial statements are prepared by consolidating the financial statements of all entities that together comprise the consolidated entity, being the Parent and its joint venture interest. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect these returns through its power over the investee.

1.4. Critical judgements, estimates and assumptions

In applying the Group's accounting policies, management continually evaluates judgements, estimates and assumptions made based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgements, estimates and assumptions made. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

Asset revaluation	pages 41-45
Estimation of useful lives of assets	page 45
Tax losses	page 50-51

1.5. Accounting policies

No changes to accounting policies have been made during the year, and policies have been consistently applied to all years presented. There were no new standards, interpretations and amendments effective from 1 July 2021 that would have a material impact on the Group and no new material standards that require adoption in future years. Significant accounting policies have been included throughout the notes to the financial statements.

Other relevant policies are provided as follows:

Revenue recognition

Revenue is recognised when (or as) a performance obligation is satisfied by transferring promised goods or services to a customer. The transfer occurs when the customer obtains control of the value created from goods or services.

Property revenue, incorporates rental income and is accounted for on a straight line basis over the lease term. Contingent rental income is recognised as income in the period in which it is earned. Lease incentives granted are recognised as an integral part of the total rental income over the period on the lease on a straight line basis.

Revenue from Marine Services provided are recognised over the financial periods in which the customer receives the benefit provided by performance of the service. This can be either over the period the service is rendered or upon delivery depending on the marine service provided.

Farming and goods sold revenues are recognised when the performance obligation is satisfied at a point in time, generally upon delivery.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

Inventory

Inventory is stated at the lower of cost or net realisable value. The cost of inventories is based on the first-in-first-out principle.

Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

(i) Group as a lessee

As at balance date the Group not entered into any leases as a lessee.

(ii) Group as a lessor

Leases in which the Group retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Fair Value

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

Financial Instruments

Designation of financial assets and financial liabilities is determined by the purpose of the financial instruments, the policies and practices of management, the relationship with other instruments and the reporting costs and benefits of each designation. These designations are reflected in the financial statements of the Group.

Financial Assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets initially designated at fair value through profit or loss and financial assets classified as held of trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Derivative financial instruments are also classified as held for trading unless they are designated as effective hedging instruments.

Fair value gains or losses on financial assets held for trading are recognised in the profit or loss

Financial Liabilities

Financial liabilities are recognised initially at fair value, and in the case of loans and borrowings and payables less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Financial Assets at Amortised Cost

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost less impairment using the effective interest rate method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current.

Impairment of Assets

The carrying amounts of the Group's property, plant and equipment, intangibles and investments in joint ventures are reviewed at each reporting date to determine whether there is any objective evidence of impairment.

An impairment loss is recognised for the amount by which the carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash generating units).

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

2. SEGMENT REPORTING

An operating segment is a component of an entity that engages in business activity from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance. The Group has three operating segments and an "Other Activities" category. During the period the Group operated within one geographic segment being the Northland region.

During the reporting period the principal operating segments of the Group comprised:

- Port Related Operations (encompassing the Group's stakeholding in Northport Ltd).
- Property Holdings (comprising the Group's industrial subdivision and farmland at Marsden Point).
- Marina & Commercial (comprising the Group's activities associated with Marsden Cove Marina).
- Other Activities (largely comprising of overheads associated with the Company's support functions).

All Operations are undertaken in New Zealand. Accounting policies have been consistently applied across all segments.

	30 June 2022				
	Port Related Operations $	**Property Holdings $**	**Marina and Commercial $**	**Other Activities $**	**TOTAL $**
Revenue					
Rental revenue from external customers	–	2,769,949	526,173	–	3,296,122
Rental revenue from joint venture	–	357,043	–	–	357,043
Other revenue from external customers	–	140,529	4,923,494	200	5,064,223
Total segment revenue	**-**	**3,267,521**	**5,449,667**	**200**	**8,717,388**
Other income and expenditure					
Share of profit from joint venture	8,431,879	–	–	–	8,431,879
Revaluation of investment property	–	(2,740,453)	6,658,857	–	3,918,404
Fair value movements	–	(103,144)	–	–	(103,144)
Finance income	–	–	–	218	218
Finance expense *	–	–	–	(828,926)	(828,926)
Depreciation expense	–	(51,145)	(423,343)	(67,660)	(542,148)
Other expenses/losses	–	(1,149,436)	(3,657,325)	(1,847,529)	(6,654,290)
Income tax expense	–	–	–	168,026	168,026
Total other income and expenditure:	**8,431,879**	**(4,044,178)**	**2,578,189**	**(2,575,871)**	**4,390,019**
Net profit after tax	**8,431,879**	**(776,657)**	**8,027,856**	**(2,575,671)**	**13,107,407**
Total segmental assets	**61,448,056**	**101,808,399**	**35,309,975**	**2,005,057**	**200,571,487**
Total segmental liabilities	**-**	**1,142,562**	**2,057,987**	**32,039,174**	**35,239,723**
Non-current asset additions					
Property, plant and equipment	–	90,286	337,534	20,243	448,063
Investment property	–	10,039,634	33,380	649,762	10,722,776

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

	30 June 2021				
	Port Related Operations $	Property Holdings $	Marina and Commercial $	Other Activities $	TOTAL $
Revenue					
Rental revenue from external customers	–	2,486,516	341,887	–	2,828,403
Rental revenue from joint venture	–	324,204	–	–	324,204
Other revenue from external customers	–	109,268	3,961,144	–	4,070,412
Total segment revenue	**–**	**2,919,988**	**4,303,031**	**–**	**7,223,019**
Other income and expenditure					
Share of profit from joint venture	9,524,855	–	–	–	9,524,855
Revaluation of investment property	–	3,582,421	72,453	–	3,654,874
Fair value movements	–	2,399	–	–	2,399
Finance income	–	–	–	783	783
Finance expense *	–	–	–	(423,846)	(423,846)
Depreciation expense	–	(52,561)	(409,852)	(67,805)	(530,218)
Other expenses/losses	–	(801,524)	(2,675,514)	(1,691,317)	(5,168,355)
Income tax expense	–	–	–	(23,581)	(23,581)
Total other income and expenditure	**9,524,855**	**2,730,735**	**(3,012,913)**	**(2,205,766)**	**7,036,911**
Net profit after tax	**9,524,855**	**5,650,723**	**1,290,118**	**(2,205,766)**	**14,259,930**
Total segmental assets	**51,493,721**	**96,928,976**	**28,046,733**	**1,269,598**	**177,739,027**
Total segmental liabilities	**–**	**1,202,641**	**2,083,796**	**24,266,100**	**27,552,537**
Non-current asset additions					
Property, plant and equipment	–	878,618	477,682	23,335	1,379,635
Investment property	–	5,685,488	5,697,397	–	11,382,885

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

3. EXPENSES

		30 June 2022 $	30 June 2021 $
3.1 Operating Expenses			
Employee related benefits		592,334	535,161
Repairs and maintenance		435,011	387,453
Insurance		304,019	250,545
Electricity		37,883	111,737
Marketing expenses		136,026	58,606
Other operational expenses		245,433	283,525
		1,750,706	**1,627,027**
3.2 Land rates and lease expenses			
Land rates		617,772	400,496
Lease expenses		15,000	15,000
		632,772	**415,496**
3.3 Administrative expenses			
Employee related benefits		832,628	707,484
Directors' fees		283,500	282,595
Auditor remuneration	– audit fees	94,000	90,384
	– other fees	–	5,250
Donations		1,585	2,144
Share registry expenses		96,359	93,842
Professional fees		593,692	311,553
Other administrative expenses		247,286	323,868
		2,149,050	**1,817,120**
3.4 Finance expenses			
Interest on debts and borrowings		987,070	534,894
Less capitalised borrowing costs		(158,144)	(111,048)
		828,926	**423,846**

The average weighted borrowing cost rate for capitalisation to property, plant and equipment, was 2.95% for the current period (2021: 2.16%).

Policy
Borrowing costs are recognised as an expense when incurred except for costs associated with the construction of any qualifying asset which are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

4. DERIVATIVE FINANCE INSTRUMENTS

As at 30 June 2022 the Company had interest rate swaps in place covering approximately 63% (2021: Nil) of the loan principal outstanding with the Bank of New Zealand (refer note 10), with interest rates of between 2.56% and 2.62%.

	30 June 2022 $	30 June 2021 $
4.1 Fair Value of Interest Rate Swaps		
Non-current	672,029	–
	672,029	–
Movement in fair value of swaps	**672,029**	**–**

Accounting judgement, estimate and assumption

The fair value of derivative financial instruments are determined from valuations prepared by independent treasury advisers using Level 2 valuation techniques. These are based on the present value of estimated future cash flows accounting for the terms and maturity of each contract and the current market interest rates at reporting date. Fair values also reflect the current creditworthiness of the derivative counterparty.

4.2 Hedging Reserve

The hedge reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised via profit or loss when the hedged transaction itself impacts profit or loss.

Movement in parent hedging reserve	672,029	–
Movement in share of joint venture hedging reserve	1,196,442	689,104
Total movement in hedging reserve before tax	**1,868,471**	**689,104**
Taxation on above items	(523,172)	(192,949)
Total movement in hedging reserve after tax	**1,345,299**	**496,155**
Balance at 1 July	(604,702)	(1,100,857)
Balance at 30 June	**740,597**	**(604,702**
Hedging Reserve – Parent	483,861	–
Hedging Reserve – Northport Ltd	256,736	(604,702)

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

Policies

Derivative Financial Instruments and Hedging

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

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at each balance sheet date to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative contract is designated as a hedging instrument, and if so, the nature of the item being hedged.

Designated Cash Flow Hedges

At the inception of a designated hedge transaction the relationship between the hedging instrument and hedged item is formally documented, as well as the risk management objectives and strategy for undertaking the transaction. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged, and how the hedging instrument's effectiveness will be assessed. Such instruments are expected to be highly effective in achieving offsetting changes and are assessed on an on-going basis to determine whether they have actually been highly effective throughout the financial reporting period(s) for which they were designated.

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.

Amounts accumulated in Equity are recycled in the Statement of Profit or Loss in the period(s) when the hedged item impacts profit or loss. When the forecast transaction that is hedged results in a non-financial asset, the gains or losses previously deferred in Equity are transferred from Equity and included in the initial cost or carrying amount of the asset with the deferred amount ultimately being recognised as depreciation in the case of property, plant and equipment.If the hedging instrument expires or is sold, terminated or exercised without replacement or roll over, or its designation as a hedge is revoked (due to ineffectiveness), amounts previously recognised in equity remain in equity until the forecast transaction occurs.

Derivatives that do not qualify for hedge accounting

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately via profit or loss. Similarly, if a previously forecast transaction is no longer expected to occur, any amounts accumulated in reserves are immediately reclassified to profit or loss.

5. INVESTMENT PROPERTY

	30 June 2022 $	30 June 2021 $
Opening carrying value	**93,445,450**	**78,229,012**
Current year movements		
Land development and improvements	10,689,396	8,041,666
Other/subsequent improvements	33,380	768,904
Investment property in progress	–	2,572,315
Transferred from property, plant and equipment	796,280	143,500
Movement in lease incentives	(2,910)	35,179
Revaluation (recognised in profit and loss)	3,918,404	3,654,874
Closing carrying value	**108,880,000**	**93,445,450**

The Group's investment properties consist of freehold land and improvements situated adjacent to Northport Ltd, as well as the Marsden Cove Marina complex.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

Investment properties are recurring level 3 fair value measured assets. Fair value has been determined based on valuations performed, in accordance with NZ IAS 40 as at 30 June 2022, by Brad Sworn of Telfer Young (2021: Chris Seagar of Seagers), an industry specialist in valuing these types of asset. The 'fair value', highest and best use approach has been adopted. The valuation was assessed in accordance with NZ IAS 40 which defines 'fair value' as being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

	Valuation Technique	Significant Unobservable Inputs	30 June 2022 Range	30 June 2021 Range
Land and improvements held for lease	DCF method, income capitalisation and direct comparative approach	Land available for lease value per m²*	\$40 – \$240 per m²	\$75 – \$110 per m²
		Discount rate	6.75 – 7.75%	7.50 – 8.50%
		Capitalisation rate	5.75 – 7.00%	6.875%
		Exit yield at 10 years	6.75 – 7.75%	7.50%
Marsden Cove Marina	DCF method	Discount rate	10.50%	9.75%
		Long term licence reversion discount factor	NA	90.00%
Marsden Cove commercial complex	DCF method	Annual rental cash flow	\$617,000 – \$1,000,000	\$569,000 – \$837,000
		Exit yield at 10 years	7.00%	7.25%
		Discount rate	7.50%	8.50%

* Excludes undeveloped land and land designated for a transport corridor which is valued at \$5 per m² (2021: \$30 to \$100 per m²).

Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. The method involves the projection of a series of cash flows from the investment property assets. To this projected cash flow series a discount rate is applied to establish present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

Significant increases (decreases) in estimated land value, rent growth and berth sell down rates per annum in isolation would result in a significantly higher (lower) fair value of investment property. Significant increases (decreases) in discount rates and exit yields in isolation would result in significantly lower (higher) fair value.

With the exception of a portion of land designated for a transport corridor, the Group has no restrictions on the realisability of its investment property.

As reported in the financial statements for the year ended 30 June 2021, the Group commissioned an independent inspection of all the marina piles to understand the extent of any issues with the structural integrity of the piles. The findings of this inspection were reported to the Directors in June 2022 and they agreed with the conclusions reached, that there was no evidence of issues with the structural integrity of the marina piles.

Significant accounting judgement, estimate and assumption

Investment Property is revalued annually by an independent valuer. The fair value of these assets is based on market values, being the estimated amount for which the assets could be exchanged between a willing buyer and a willing seller in an arm's length transaction. Changes to market conditions or assumptions made in the estimation of fair value will result in changes to the fair value of property.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

Policies

Investment properties are held to earn rental income or for long term capital appreciation. After initial recognition at cost including directly attributable acquisition costs, investment properties are measured at fair value, on the basis of valuations made by independent valuers on at least an annual basis. Gains or losses arising from changes in the fair values of investment properties are included in the Statement of Profit or Loss in the year in which they arise.

Subsequent expenditure is charged to the asset's carrying amount 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.

Investment properties under construction are carried at cost until it is possible to reliably determine their fair value, from which point they are carried at fair value.

Gains or losses on the disposal of investment properties are recognised in the Statement of Profit or Loss in the period in which the investment properties are derecognised when they have been disposed.

Transfers from property, plant and equipment to investment property are made when, and only when, there is a change in use, evidenced by the ending of owner-occupation or commencement of an operating lease to another party.

For a transfer from investment property to owner-occupied property, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with its property plant and equipment policy up to the date of change in use.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

6. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land $	Building and Amenities $	Plant and Equipment $	Capital Work Progress $	TOTAL $
Cost or valuation Balance at 1 July 2020	19,722,933	9,579,418	2,487,613	601,316	32,391,280
Additions	26,804	196,612	363,158	793,061	1,379,635
Transferred from capital work in progress	51,072	10,084	1,670	(62,826)	-
Transferred to investment property	(143,500)	-	-	(109,769)	(253,269)
Disposals	-	-	(2,462)	(334,738)	(337,200)
Revaluation	1,224,521	-	-	-	1,224,521
Balance at 30 June 2021	**20,881,830**	**9,786,114**	**2,849,979**	**887,044**	**34,404,967**
Additions	-	118,928	168,641	160,494	448,063
Transferred from capital work in progress	-	6,644	4,029	(10,673	-
Transferred to investment property	-	-	-	(796,280)	(796,280)
Transferred to operating expenses	-	-	-	(1,951)	(1,951
Disposals	-	-	(69,553)	-	(69,553)
Revaluation	(2,356,830)	-	-	-	(2,356,830)
Balance at 30 June 2022	**18,525,000**	**9,911,686**	**2,953,096**	**238,634**	**31,628,416**
Accumulated Depreciation					
Balance at 1 July 2020	-	(1,302,980)	(750,670)	-	(2,053,650)
Depreciation expense	-	(329,581)	(200,637)	-	(530,218)
Disposals	-	-	2,462	-	2,462
Balance at 30 June 2021	**-**	**(1,632,561)**	**(948,845)**	**-**	**(2,581,406)**
Depreciation expense	-	(333,568)	(208,580)	-	(542,148)
Disposals	-	-	61,591	-	61,591
Balance at 30 June 2022	**-**	**(1,966,129)**	**(1,095,834)**	**-**	**(3,061,963)**
Net book value					
At 31 June 2021	20,881,830	8,153,553	1,901,134	887,044	31,823,561
At 31 June 2022	**18,525,000**	**7,945,557**	**1,857,262**	**238,634**	**28,566,453**

The fair value of freehold land, a recurring level 3 fair value measured asset, was determined by using the market comparison method. The valuation has been prepared as at 30 June 2022 using the highest and best use approach while considering various market drivers for land in the Marsden Point area together with limited, recent sales evidence for the area.

The valuation was undertaken by independent valuer Brad Sworn of Telfer Young (2021: Chris Seagar of Seagers).

Significant unobservable valuation input	**Range**
Price per hectare	$100,000 to $190,000

Significant increases (decreases) in estimated price per hectare in isolation would result in a significantly higher (lower) fair value. With the exception of a portion of land designated for a transport corridor, the Group has no restrictions on the realisablility of its freehold land.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

	30 June 2022 $	30 June 2021 $
Carrying value of freehold land if measured at cost If freehold land were measured at cost less accumulated depreciation and impairment, the respective carrying amounts would be as follows:		
At Cost	**7,359,929**	**7,425,533**

Significant accounting judgements, estimates and assumptions

The estimation of the useful lives of assets has predominantly been based on historical experience. Useful lives are reviewed on an annual basis and adjustments made when considered necessary.

Freehold Land is revalued annually by an independent valuer. The fair value of these assets is based on market values, being the estimated amount for which the assets could be exchanged between a willing buyer and a willing seller in an arm's length transaction. Changes to market conditions or assumptions made in the estimation of fair value will result in changes to the fair value of property.

Policies

Property, plant and equipment comprises land and other fixed assets held for use in the production or supply of services. With the exception of freehold land, property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Freehold land is subject to annual revaluation at "fair value" on the basis of independent valuation.

Historical cost includes expenditure that is directly attributable to the acquisition of an item of property, plant and equipment. This includes any applicable borrowing costs and/or transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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. Repairs and maintenance are recognised in profit and loss as incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the profit and loss.

Property, plant and equipment, with the exception of freehold land and capital work in progress, is depreciated. The charge for depreciation is calculated using the straight line method to allocate cost, net of residual value, over the estimated useful lives of assets as follows:

Freehold Land	not depreciated
Buildings and Amenities	5-50 years
Plant and Equipment (including vehicles)	2-25 years

Underground fuel tanks related to the Group's fuel facility that have been classified as Plant & Equipment and have an estimated useful life of 40 years.

Residual values and useful lives are reviewed, and adjusted if appropriate at each Balance Sheet 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.

Land revaluations

Any revaluation increment is credited to the asset revaluation reserve included in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit and loss, in which case the increment is recognised in profit and loss.

Any revaluation decrease is recognised in profit or loss, except to the extent that it offsets a previous revaluation increment for the same asset, in which case the decrease is debited directly to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset.

Upon disposal or derecognition of an asset, any associated revaluation reserve balance is transferred to retained earnings.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

7. INVESTMENT IN JOINT VENTURE

	30 June 2022 $	30 June 2021 $
Northport Ltd		
Main activity: Seaport		
Balance date: 30 June		
Shareholding	50%	50%
Balance at 1 July	51,493,721	46,269,310
Share of net profit after tax	8,420,095	9,512,744
Share of current period elimination re. previous inter entity asset sales	11,783	12,111
Share of profit from joint venture	**8,431,878**	**9,524,855**
Share of hedging reserve	861,439	496,155
Share of revaluation reserve	10,173,761	3,498,508
Share of total comprehensive income	**19,467,078**	**13,519,518**
Dividends received	(9,512,743)	(8,295,107)
Balance at 30 June	**61,448,056**	**51,493,721**
Summary Financial Information		
Cash and equivalents	299,162	358,884
Current financial assets	131,557	–
Other current assets	5,534,814	5,574,666
Total current Assets	**5,965,533**	**5,933,550**
Non-current financial assets	584,847	–
Other non-current assets	170,360,972	145,683,544
Total non current assets	**170,945,819**	**145,683,544**
Total assets	**176,911,352**	**151,617,094**
Current financial liabilities (excluding trade and other payables)	144,114	882,137
Other current liabilities	6,018,855	5,092,340
Total current liabilities	**6,162,969**	**5,974,477**
Non current financial liabilities (excluding trade and other payables)	45,236,640	40,015,975
Total liabilities	**51,399,609**	**45,990,452**
Net assets	**125,511,743**	**105,626,642**
Group's share of net assets 50%	62,755,872	52,813,321
Other consolidated adjustments	(1,307,816)	(1,319,600)
Investment in Joint Venture	**61,448,056**	**51,493,721**
Revenue	42,576,502	44,604,849
Depreciation and amortisation	4,437,268	4,343,446
Interest income	2,284	3,312
Interest expense	1,928,092	1,909,490
Tax expense	5,692,469	6,575,504
Net surplus after tax	**16,840,189**	**19,025,486**
Other comprehensive income	22,070,398	7,989,325
Total comprehensive income	**38,910,587**	**27,014,811**

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

Policies

The Group's investment in its joint venture is accounted for using the equity method of accounting in the consolidated financial statements. A joint venture is a type of joint arrangement whereby the parties have joint control of the arrangement and have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Under the equity method, investments in the joint ventures are recognised in the Consolidated Balance Sheet at cost plus post-acquisition changes in the Group's share of net assets of the joint ventures. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss in respect to the Group's net investment in joint ventures.

The Group's share of its joint ventures' post-acquisition profits or losses is recognised in profit or loss, and its share of post acquisition movements in reserves is recognised in other comprehensive income of the Group. The cumulative post- acquisition movements are adjusted against the carrying amount of the investment. Dividends received from joint ventures reduce the carrying amount of the investment.

If the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

8. RECEIVABLES AND PREPAYMENTS

	30 June 2022 $	30 June 2021 $
Trade receivables	24,925	32,398
Related parties (Note 17.1)	213	175
GST refund due	42,482	65,079
Prepayments	171,609	159,033
Sundry debtors	21,693	21,411
	260,922	**278,096**

Policies

Receivables

Receivables which generally have a 30 day term are recognised initially at fair value. The Company applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Prepayments

Prepayments comprise of significant items of expenditure having a benefit to more than one accounting period and are written off over the period to which they relate.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

9. PAYABLES

	30 June 2022 $	30 June 2021 $
Trade payables	905,827	1,062,413
Retentions	280,372	211,342
Employee leave provisions	46,687	56,066
Other payables	596,558	525,326
	1,829,444	**1,855,147**

Policies

Payables

Payables are carried at amortised cost. These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are typically unsecured and usually paid within 30 days of recognition.

Employee benefits

Liabilities for wages and salaries, including annual leave entitlements and any non-monetary benefits are recognised as a current liability in respect of employees' services up to the reporting date. They are measured at the amount expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

10. BANK LOANS

	30 June 2022 $	30 June 2021 $
BNZ loan facility – current portion	7,550,000	10,000,000
BNZ loan facility – non-current portion	24,000,000	13,950,000
	31,550,000	**23,950,000**

As at 30 June 2022, the Company had access to funding facilities with the BNZ totalling $40,000,000. A $11,000,000 tranche of the Company's funding facility is due to expire on 6 April 2023. The Company will enter into negotiation with the BNZ closer to the expiry date and expects to renew this expiring tranche in the normal course of business.

The remainder of the loan facility is able to be drawn-down on request subject to the Company being in compliance with undertakings in respect of the facility.

Interest rates are determined by reference to prevailing money market rates at the time of draw-down plus a margin. Interest rates (excluding establishment and line fees) paid during the year ranged from 1.32% to 4.16% (2021: 1.26% to 1.51%).

The loan facility is secured by a first ranking mortgage over all of Marsden Maritime Holdings Ltd.'s property interests.

Policy
Borrowings are initially recognised at fair value, net of transaction costs incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. 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 balance sheet date.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

11. REVENUE IN ADVANCE

	30 June 2022 $	30 June 2021 $
Balance at 1 July	1,747,390	867,491
Marina berth licence sales proceeds	323,205	1,080,913
Marina berth licence buy back	(6,400)	(21,909)
Recognition – current period	(203,916)	(179,105)
Balance at 30 June	**1,860,279**	**1,747,390**

Marina berth licences are sold giving the licensee a right to occupy a marina berth for a period that ranges from 5 to 30 years. The proceeds from a sale of a berth are recognised over the particular term of each licence sold.

12. CONTRIBUTED EQUITY

12.1 Share capital

	30 June 2022 $	30 June 2021 $
Balance at 30 June	**14,688,144**	**14,688,144**

All shares carry equal voting rights and have no par value.

The parent entity, Marsden Maritime Holdings Ltd has an authorised capital of 80,000,000 shares (unchanged from prior year).

	No. Shares	No. Shares
Total at 30 June	**41,300,651**	**41,300,651**

12.2 Earnings per share

Earnings per share of 31.74 cents per share (2021: 34.53 cents per share) has been calculated as the reported net profit after tax divided by the average number of fully paid shares (calculated on a daily basis) on issue during the period, comprising 41,300,651 shares (2021: 41,300,651 shares). Diluted earnings per share has been calculated on the same basis.

12.3 Dividends paid

During the financial year the following dividend payments were made:

	30 June 2022 $	30 June 2021 $
Final, 24/09/21 – 11.25 cents/share (25/09/20 – 9.25 cents)	4,646,324	3,820,312
Interim, 25/03/22 – 6.00 cents/share (26/03/21 – 6.75 cents)	2,478,039	2,787,794
	7,124,363	**6,608,106**

Policy
A provision is made in the financial statements for the amount of any dividend declared on or before the end of the financial year but not distributed at balance date.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

12.4 Capital management

When managing capital, the objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Changing market conditions may affect the amount of dividends paid to shareholders. Changing market conditions may also result in the return of capital to shareholders, the issuance of new shares, or result in the sale of assets to reduce debt.

During the reporting period, the Group's joint venture entities fully complied with any externally imposed capital requirements. The Group is not subject to any externally imposed capital requirements.

13. TAXATION

	30 June 2022 $	30 June 2021 $
13.1 Taxation expense		
Net surplus before taxation	**12,939,381**	**14,283,511**
Prima facie tax at 28%	3,623,027	3,999,383
Adjusted for the tax effect of:		
Tax paid joint venture earnings	305,942	(340,938)
Imputed dividend receipts	(2,663,568)	(2,322,630)
Revaluation non-assessable/non-deductible (income)/expense	(1,071,573)	(1,027,428)
Capitalised borrowing costs deducted for tax purposes	(44,280)	(31,093)
Non-deductible expenses	16,232	18,931
Carried forward losses not recognised (recognised)	(333,805)	(272,644)
Income tax expense	**(168,025)**	**23,581**
Represented by:		
Current taxation	(168,025)	23,581
Deferred taxation	–	–
Income tax expense	**(168,025)**	**23,581**
13.2 Deferred tax		
Balance at 1 July	**-**	**-**
Items charged to profit and loss	–	–
Balance at 30 June	**-**	**-**
Represented by:		
Investment property	(2,482,959)	(1,465,270)
Property, plant and equipment	510,435	(130,717)
Financial Instruments	(188,168)	–
Provisions	13,072	20,598
Deferred tax liability	**(2,147,620)**	**(1,575,389)**
Deferred tax asset (tax effect of losses carried forward)	2,154,892	1,575,389
Net deferred tax asset	**7,272**	**-**

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

Significant accounting judgement, estimate and assumption

At the end of the reporting period the Group has accumulated tax losses amounting to $7,696,043 with a tax effect of $2,154,892 (2021: losses $6,654,868 tax effect $1,863,363) subject to Inland Revenue Department confirmation. Due to the time frame in which assessable income is anticipated to be available to offset such losses the Group has determined that it is appropriate to only recognise prior period losses in the financial statements to a level that directly offsets the deferred tax liability.

Policies

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred income tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the taxable temporary difference is associated with investments in subsidiaries, joint ventures or interests in joint operations, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the deductible temporary difference is associated with investments in subsidiaries, joint ventures or interests in joint operations, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Taxation expense

The income tax expense recognised in the profit and loss includes both current and deferred tax and is calculated after allowing for non-assessable income and non-deductible expenditure.

Tax losses

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

14. OTHER INVESTMENTS

	30 June 2022 $	30 June 2021 $
Fonterra Co-operative Group Ltd – Shares		
Balance at 1 July	450,956	448,557
Acquisition/(disposals)	–	–
Fair value movements	(103,144)	2,399
Balance at 30 June	**347,812**	**450,956**

		Disclosed fair value per share		
Fair value movement in other investments	**Shares held**	**30 June 2022**	**30 June 2021**	**Fair value movement**
Fonterra Co-operative Group Ltd – Shares	119,935	2.90	3.76	(103,144)

Policy

Other investments are initially recognised at cost and are subsequently restated to their assessed fair value at each reporting date and more frequently, if warranted. Any movement in fair value is immediately recognised in the profit or loss.

Financial Assets

The Group determines the fair value of it's shares in Fonterra Co-operative Group Ltd using market price level 1 inputs.

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks including movements in fair value, liquidity risk, credit risk, price risk, interest rate risk and to a lesser extent foreign exchange risk. The Group's overall risk management programme seeks to minimise potential adverse effects on its financial performance.

15.1 Liquidity risk

The Group manages its exposure to liquidity risk by maintaining a balance between continuity of funding and flexibility through the use of bank loans, overdrafts and committed available credit lines. As at 30 June 2022, the Company had access to funding facilities with the BNZ totalling $40,500,000 (2020: $31,500,000) of which $31,550,000 was drawn down at this date (2021: $23,950,000). The present and expected level of cash flow is sufficient to meet repayment requirements.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

	On demand $	Less than 3 months $	3 to 12 months $	Over 12 months $
Interest-bearing loans and borrowings (includes interest expense)	-	314,990	8,420,260	25,304,100
Trade and other payables	-	766,527	280,372	-
Balance at 30 June 2022	**-**	**1,081,517**	**8,700,632**	**25,304,100**
Interest-bearing loans and borrowings (includes interest expense)	-	125,270	10,325,050	14,470,180
Trade and other payables	-	1,062,413	211,342	-
Balance at 30 June 2021	**-**	**1,187,683**	**10,536,392**	**14,470,180**

15.2 Credit risk

Credit Risk arises from the financial assets of the Group, which comprises cash and cash equivalents, trade and other receivables, and derivative instruments. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The Group trades only with recognised, creditworthy parties and as such collateral is not typically required.

Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group further minimises its credit exposure by limiting the amount of funds placed with any one financial institution at any one time.

No material financial assets are past due as at balance date.

15.3 Price risk

Price risk arises from investments in equity securities as detailed in Note 14. The price risk for listed securities is immaterial in terms of the possible impact on the Statement of Comprehensive Income or total equity and as such, a sensitivity analysis has not been completed.

15.4 Interest rate risk

The Group's exposure to the risk in changes in interest rates primarily stems from its portion of long-term debt obligations that are uncovered by hedging arrangements and therefore have a floating interest rate.

At balance date, the Company had the following direct exposure to variable interest rate risk on the unhedged portion of its long-term debt obligations:

	30 June 2022 $	30 June 2021 $
Financial liabilities	**14,688,144**	**14,688,144**
Bank Loan – unhedged portion	(11,550,000)	(23,950,000)

The following sensitivity analysis is based on the Company's exposure to unhedged interest rate risk (with all other variables held constant) as at the end of the reporting period. The analysis below depicts the post tax impact on profit and equity. The Group also has an indirect exposure to variable interest rate risk via its holding in joint venture entity Northport Ltd.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

	30 June 2022 $	30 June 2021 $
+1.0% (100 Basis Points)		
Post Tax Profit and Equity – Higher (Lower)	(115,500)	(239,500)
-0.5% (50 Basis Points)		
Post Tax Profit and Equity – Higher (Lower)	57,750	119,750
15.5 Financial instruments		
The Group has the following categories of financial instruments		
Financial assets at fair value through profit or loss designated on initial recognition		
Fonterra Co-operative Group Ltd – shares	347,812	450,956
Financial assets – derivates designated as hedging instruments		
Interest rate swaps	672,029	–
Financial assets at amortised cost		
Cash and deposits	230,201	153,510
Receivables	46,831	119,113
Financial liabilities at amortised cost		
Payables	(1,782,257)	(1,855,147)
Bank loans	(31,550,000)	(23,950,000)

16. OPERATING LEASE COMMITMENTS

	30 June 2022 $	30 June 2021 $
The following future minimum rentals receivable as a lessor existed at year end:		
Less than 1 year	3,508,733	2,860,062
Between 1 – 5 years	8,962,864	7,494,835
Over 5 years	4,426,904	3,679,960
	16,898,501	**14,034,857**

The Group leases land and buildings to a variety of customers within close proximity to the port. These non-cancellable leases have remaining terms of between one month and 24 years. All leases include a clause to enable upward revision of the rental charge on contractual rent review dates according to prevailing market conditions.

17. RELATED PARTY DISCLOSURE

Related party transactions are undertaken on terms equivalent to those that prevail in arms length transactions. Outstanding balances at year-end are unsecured and interest free and settlement occurs in cash. The Company transacted with the following related parties during the period:

Northport Ltd

This company is jointly owned by the Marsden Maritime Holdings Ltd and Port of Tauranga Ltd. It was established to build a new port facility at Marsden Point which commenced operations in June 2002. As a shareholder in this entity, the Company, during the year ended 30 June 2022, received dividends amounting to $9,512,743 (2021: $8,295,107) together with full imputation credits.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

North Tugz Ltd

This company is jointly owned by the joint venture entity, Northport Ltd and Ports of Auckland Ltd (a significant shareholder of Marsden Maritime Holdings Ltd). It was established to operate various marine services previously undertaken by the respective shareholders.

Marsden Cove Canals Management Ltd

Marsden Maritime Holdings Ltd currently holds a 50% interest in this entity which effectively serves as a body corporate for the canal waterways at Marsden Cove. This entity is a limited liability company with charitable trust status and as such its stakeholders do not receive any distributions or have any entitlement to a share in the entity's equity. Due to nature of this entity it has not been consolidated with Marsden Maritime Holdings Ltd in these financial statements.

Northland Regional Council

The Northland Regional Council is the major shareholder of Marsden Maritime Holdings Ltd. During the year it received dividend payments totalling $3,819,651 (2021: $3,542,865).

Directors

Periodically, certain transactions, which are generally not of a material nature, take place between Marsden Maritime Holdings Ltd and companies in which some directors may have an interest or association. Any director involved in a transaction of this nature abstains from voting at the time in accordance with the Company's Constitution.

Key Management Personnel

The directors and certain senior management of the Group have been identified as key management personnel by virtue of their authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly. Total compensation for key management personnel amounted to $1,144,872 (2021: $995,040) comprising directors' fees $283,500 (2021: $282,595), salaries $642,721 (2021: $579,563), termination settlements $90,053 (2021: $Nil), management bonuses $53,965 (2021: $57,000) and associated benefits $74,633 (2021: $75,882).

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2022

	30 June 2022 $	30 June 2021 $
17.1 Related party receivables		
Marsden Cove Canal Management Ltd	213	175
	213	**175**
17.2 Northport Ltd		
Services provided by Marsden Maritime Holdings Ltd	32,294	31,596
Leases provided by Marsden Maritime Holdings Ltd	357,043	324,204
Services provided to Marsden Maritime Holdings Ltd	52,179	44,734
Services provided to North Tugz Ltd	258,251	245,484
17.3 North Tugz		
Services provided to Northland Regional Council	2,000	1,000
Services provided to Northport Ltd	6,038,358	6,286,725
17.4 Northland Regional Council		
Services provided to Marsden Maritime Holdings Ltd	44,269	43,304
Services provided to Northport Ltd	267,627	150,622
17.5 Marsden Cove Canals Management Ltd		
Levies charged to Marsden Maritime Holdings Ltd	-	88,779
Services provided by Marsden Maritime Holdings Ltd	15,742	7,006
17.6 Directors of Marsden Maritime Holdings Ltd		
Services provided to Marsden Maritime Holdings Ltd	283,500	282,595
Services provided to Northport Ltd	87,500	87,500

18. CONTINGENT LIABILITIES

At Balance Date the Group was aware of the following Contingent Liabilities:

To the Bank of New Zealand for a $75,000 (June 2021: $75,000) Bond given to the New Zealand Stock Exchange.

19. CAPITAL COMMITMENTS

Commitments for capital expenditure at 30 June 2022 amounted to $263,261 which relates to the construction of a bulk storage warehouse. (2021: $6,614,638 three leasehold properties under construction). Capital expenditure commitments in respect of the Group's Joint Venture interests as at 30 June 2022 totalled $438,800 (2021: $524,723).

20. SUBSEQUENT EVENTS

Joint Venture company Northport Ltd declared a fully imputed ordinary dividend of $4,920,095 to be paid in two instalments, $3,000,000 on 31 August 2022 and $1,920,095 on 30 September 2022.

Subsequent to balance date, the Board of Marsden Maritime Holdings Ltd declared a fully imputed ordinary dividend of 10.00 cents per share with payment to be made on 30 September 2022.

Auditor's Report

Building a better working world

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF MARSDEN MARITIME HOLDINGS LIMITED

The Auditor-General is the auditor of Marsden Maritime Holdings Limited and its subsidiaries (the Group). The Auditor-General has appointed me, Lloyd Bunyan, using the staff and resources of Ernst & Young, to carry out the audit of the consolidated financial statements of the Group on his behalf.

Opinion

We have audited the consolidated financial statements of the Group on pages 30 to 56, that comprise the consolidated balance sheet as at 30 June 2022, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

Basis for our opinion

We conducted our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. 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 are independent of the Group in accordance with the Auditor-General's Auditing Standards, which incorporate Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. We have no other relationship with, or interest in, the Group

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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, but we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of the audit report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Auditor's Report

Building a better working world

Valuation of land and investment properties

Why significant	How our audit addressed the key audit matter
The valuations of land and investment properties, carried at \$18.5m and \$108.8m respectively, are important to our audit as they represent significant judgment areas and a significant percentage of the total assets of the Group. The Group engaged independent registered valuers to determine the fair value of these assets at 30 June 2022. The land and investment property valuations require the use of judgments specific to the assets, as well as consideration of the prevailing market conditions. Significant assumptions used in the valuation are inherently subjective. A small difference in any one of the key assumptions, when aggregated, could result in a significant change to the valuation of the properties. Amongst other matters, the valuations are based on assumptions such as future lease revenues, discount and capitalisation rates and land values per square metre. Disclosures in relation to land and investment properties are included in notes 6 and 5 to the consolidated financial statements respectively.	In obtaining sufficient audit evidence we: ► documented our understanding of the valuation process which involved identifying management controls over the process; ► evaluated the competence, capabilities and objectivity of the external valuer; ► reviewed the instructions provided to the valuer; ► compared the key valuation assumptions used and the assessed values by property to the previous year's equivalent assumptions and amounts to determine the principal reasons for changes in assessed values; ► involved our real estate valuation specialists to assess the valuations, valuation methodology and validity of assumptions against market evidence; ► considered the nature of amounts capitalised in the year in relation to land improvements, their treatment in the financial statements and their impact on the valuation of land; and ► assessed the adequacy of the financial statement disclosures made in respect of the valuation of land and investment properties. As a result of the above procedures, we considered the valuation techniques and key assumptions reasonable in forming our opinion on the financial statements as a whole.

Other information

The Board of Directors is responsible on behalf of the Group for the other information. The other information comprises all information in the annual report other than the consolidated financial statements and our auditor's report thereon. The other information 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. In doing so, we 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, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors and, if uncorrected, to take appropriate action to bring the matter to the attention of users for whom our auditor's report was prepared.

Auditor's Report

Building a better
working world

Directors' responsibilities for the consolidated financial statements

The Directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards. 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 on behalf of the Group 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.

The Directors' responsibilities arise from the Financial Markets Conduct Act 2013.

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 the Auditor-General's Auditing Standards 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 shareholders taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditor's Report

Building a better working world

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Our responsibilities arise from the Public Audit Act 2001.

Lloyd Bunyan
Ernst & Young
On behalf of the Auditor-General
Auckland, New Zealand
25 August 2022

Corporate Governance Statement

The Board of Marsden Maritime Holdings Limited ("Marsden Maritime" or "the Company") plays an essential role in setting and overseeing the effective execution of the Company's strategic direction, with a clear focus on the creation of long-term value for shareholders.

The Marsden Maritime Board of Directors ("the Board") is responsible for the Company's governance framework, which is recorded in the governance policies, Board Committee charters and management policies. The Company's corporate governance framework takes into consideration contemporary standards in New Zealand including the NZX Listing Rules, NZX's Corporate Governance Best Practice Code (the NZX Code) and the Financial Markets Authority's Corporate Governance in New Zealand, Principles and Guidelines (collectively the "Principles").

The Board confirms that as at 30 June 2022, the governance practices largely comply with the NZX Code and have done so for the preceding 12 months of the financial year. There are exceptions in regard to Recommendation 2.5 (Measurable objectives for diversity) and 3.6 (Takeover Offer Protocol). For each of these exceptions an explanation of the alternative governance practices the Company has adopted to address the NZX code recommendation is given.

Marsden Maritime's corporate governance documents and related information are available at the Investors section of the Company's website www.marsdenmaritime.co.nz. This statement was approved by the Board on 25 August 2022.

Principle 1 – Code of Ethical Behaviour

Directors should document minimum standards of ethical behaviour to which the issuer's directors and employees are expected to adhere.

Code of Ethics Policy

The Board is committed to ensuring the Company maintains best-practice standards of corporate governance, business behaviour and accountability to ensure that it always operates in a transparent, fair and ethical way.

The Board's governance documents include a Code of Ethics Policy that applies to directors and employees. The purpose of the Code of Ethics Policy is to underpin and support the values that govern individual and collective behaviour. The Code of Ethics Policy is intended to guide directors' and employees' decisions so that they are consistent with the Company's values, business goals and legal obligations. It sets out the minimum expectations of behaviour in relation to conduct, conflicts of interest, proper use of assets and property, and proper use of information. The Company's Whistleblowing Policy sets out the procedures for reporting any breaches of the Code of Ethics Policy or of any law, regulation, company policy or any other serious wrongdoing.

Securities Trading Policy

The Company's Securities Trading Policy and Guidelines applies to all directors, executives and employees and is additional to the legal prohibitions on insider trading in New Zealand. The policy provides guidance and rules for trading in Marsden Maritime's securities listed on the NZX.

Principle 2 – Board Composition and Performance

To ensure an effective board, there should be a balance of independence, skills, knowledge, experience and perspectives.

Board Charter

Details of the Board's role, composition, responsibilities, operation, policies and committees are provided in the Board Charter. The Charter distinguishes between the responsibilities of the Board and those matters that are delegated to management. The Board has responsibility for, amongst other things: overall governance and setting strategic direction; providing leadership and monitoring management's implementation of strategic objectives and performance; reviewing and approving budgets and capex; identifying and mitigating risks; monitoring operational and financial performance and reporting systems; determining dividends; appointing and removing the Chief Executive; and reviewing company policies. A set of delegated authorities establish the responsibilities delegated to management and those retained by the Board. The delegated authorities are subject to review and approval by the Board annually. The Chief Executive has responsibility for the proper exercise of and compliance with the delegation policies.

The Board meets its responsibilities by receiving reports and plans from management and through its annual work programme. The Board uses committees to address certain issues that require detailed consideration by members of the Board who have specialist knowledge and experience. The Board retains ultimate responsibility for the functions of its committees and determines their responsibilities.

Director Independence

The Board determines the independence of each director. The guidelines set out in the NZX Listing Rules are used for this purpose.

As at 30 June 2022 the Board comprised seven independent non – executive directors. A profile of each director is included in this Report. Further details are available from the Company's website.

The Chair of the Company is an independent director. The Chair's responsibilities are documented in the Board Charter.

Corporate Governance Statement

Board Composition and Operation

The composition of the Board is governed by the Company's Constitution which also details how directors are appointed and removed from office.

The following directors held office during the 12 months to 30 June 2022:

Director	Status	Date Appointed	Last Re-Elected	Date Ceased
Murray Jagger	Board Chairman Chair Board Nom. Com. Independent Director	Oct 2015	Nov 2021	–
Mark Bogle	Independent Director	Oct 2014	Nov 2020	–
Tony Gibson	Independent Director	Apr 2018	Nov 2021	–
Kirsten Andrews	Independent Director	Nov 2020	–	–
Benoît Marcenac	Independent Director	Oct 2019	–	–
Rabin Rabindran	Independent Director	Oct 2019	–	–
Hamish Stevens	Chair Audit & Risk Com. Independent Director	Oct 2018	Nov 2021	–

At each Annual Meeting of shareholders, any directors due to hold office (without re-election) past their third annual meeting or three years, whichever is longer, will retire and are eligible to stand for re-election, along with any appointments made since the previous annual meeting.

Directors are encouraged to undertake continuing professional development to maintain their skills and knowledge. The Nomination Committee has responsibility for monitoring director training.

The Board reviews its performance as a whole on an annual basis. Each Committee undertakes an annual review of its performance and provides a report to the Board.

Diversity

Marsden Maritime recognises the wide-ranging benefits diversity brings to an organisation and its workplace. The Company has a Diversity Policy which records the Company's commitment to an inclusive workplace that embraces and promotes diversity. The Policy and practices are overseen by the Board. The Company is not compliant with the NZX Code as regards setting measurable objectives for diversity. The Board does not consider it appropriate to set measurable diversity objectives.

When a Board appointment is made it is the Board's policy to ensure that, where possible, diversity is sustained.

Gender Composition of the Board and Management as at 30 June

	2022		2021	
	Number	%	Number	%
Directors				
Female	1	14	1	14
Male	6	86	6	86
Management				
Female	1	25	1	25
Male	3	75	3	75
Total employees				
Female	5	38	5	36
Male	8	62	9	64

Note: For the purposes of the above analysis "Management" includes any employee who reports directly to the Board or the Chief Executive.

Corporate Governance Statement

Principle 3 – Board Committees

The Board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility.

The Board has four standing committees, being the Audit and Risk Committee, the Remuneration Committee, Board Nomination Committee and the Health and Safety Committee. Each Committee operates under a Charter, approved and regularly reviewed by the Board. Committees do not have delegated authority to make decisions but make recommendations to the Board.

Information in relation to the number of meetings of each Committee and the fees paid to members are shown on pages 26 and 27 of this report.

Audit and Risk Committee

This Committee assists the Board with overseeing all matters relating to risk and financial management, accounting, audit and reporting.

As at 30 June 2022 the Committee comprised three Directors: Hamish Stevens (Chair), Mark Bogle and Rabin Rabindran. All members are independent directors with Mr Bogle and Mr Stevens both being members of Chartered Accountants Australia and New Zealand. The Board Chairman attends meetings in an ex officio capacity.

The Chair of the Audit Committee is neither the Board Chair nor the Company's Chief Executive. The Chair of the Audit and Risk Committee has had no association with EY, the external auditor.

The agenda items for each meeting generally relate to financial governance, external financial reporting, external audit, internal controls, risk management, compliance and insurance.

The Chief Executive and Financial Controller are regularly invited to attend Audit and Risk Committee meetings.

Remuneration Committee

The Committee has responsibility for considering matters related to remuneration and human resources. It undertakes an annual review of management's performance and remuneration levels. The Committee also develops the Company's remuneration policy and recommends to the Board the distribution of the shareholder approved director fee pool.

As at 30 June 2022 the Committee comprised Tony Gibson (Chair), Murray Jagger and Hamish Stevens.

Board Nomination Committee and Director appointment

The Board Nomination Committee has delegated responsibility for the process of identifying and recommending suitable candidates for appointment to the Board.

Its responsibilities also include, amongst other things: overseeing director induction, developing and implementing a plan for identifying and assessing director competencies, and overseeing director training and upskilling.

As at 30 June 2022 the Committee comprised Murray Jagger (Chair) and Benoît Marcenac.

All new directors will enter into a written agreement with the Company setting out the terms of their appointment.

Health and Safety Committee

The Committee operates as a committee of the full board and meets at each board meeting. The Committee's charter is incorporated in the Company's Health and Safety Policy. The purpose of the Committee is to support the Board in meeting its responsibility for the Company's health and safety outcomes.

The responsibilities of the Committee include:

- overseeing the establishment of health and safety policies and recommending performance targets
- ensuring the Company has appropriate resources and practices to operate the business safely
- monitoring the effectiveness of the Company's health and safety management system, and
- periodically reviewing the Company's overall management of health and safety risk and identifying continuous improvement opportunities.

The Board Chairman chairs the Committee.

Corporate Governance Statement

Board and Committee Meeting Attendance

The full Board met eight times between 1 July 2021 and 30 June 2022.

Special purpose meetings are held as required. The following table outlines the number of meetings attended by Directors in the period under review:

	Full Board Meeting		Health & Safety Committee	
	Attended	Entitled	Attended	Entitled
Murray Jagger	8	8	8	8
Kirsten Andrews	8	8	8	8
Mark Bogle	8	8	8	8
Tony Gibson	7	8	7	8
Benoît Marcenac	8	8	8	8
Rabin Rabindran	8	8	8	8
Hamish Stevens	8	8	8	8

	Audit & Risk Committee		Remuneration Committee	
	Attended	Entitled	Attended	Entitled
Murray Jagger	3	4	4	4
Kirsten Andrews	-	-	-	-
Mark Bogle	4	4	–	–
Tony Gibson	–	-	4	4
Benoît Marcenac	–	-	–	–
Rabin Rabindran	4	4	–	–
Hamish Stevens	4	4	4	4

Takeover Protocols

After taking into consideration the nature of the Company’s ownership structure, the Board has determined that a takeover offer for Marsden Maritime Holdings is highly unlikely. Therefore, the establishment of takeover protocols is deemed to be unnecessary at this time.

Corporate Governance Statement

Principle 4 – Reporting and Disclosure

The Board should demand integrity in financial and non – financial reporting, and in the timeliness and balance of corporate disclosure.

The Company believes that high standards of reporting and disclosure are essential for proper accountability between the Company and its investors, employees and stakeholders. Oversight of the Company's financial reporting is applied through the Audit and Risk Committee.

Continuous Disclosure Policy

The Board has adopted the NZX Continuous Disclosure Rules to ensure that all material matters are released to the financial markets in a clear and timely manner.

The accountabilities of individual directors and executives are documented in the Continuous Disclosure Policy together with the procedures to be followed in the event potential material information is raised by an employee or a director. The Chairman is accountable for making the final decision as to whether or not information requires disclosure and the form that disclosure takes however, the Chair may consult with the Audit and Risk Committee to decide whether the information is material, and if so, the form in which it should be disclosed.

Significant market announcements, including the preliminary announcement of the half year and full year results, the financial statements for those periods, and any trading updates are approved by the Board.

Financial/Non-Financial Disclosure

The Company is committed to ensuring integrity and timeliness in its financial reporting and in providing information to the market and shareholders which reflects a considered view on the present and future prospects of the Company. The Board takes an active role in overseeing financial reporting. Half year and full-year financial statements are prepared in accordance with relevant reporting standards and are subject to board review.

The Annual Report also reports on strategic progress and operational performance. A series of key performance indicators are used to link results to strategy. The Company is also committed to transparent reporting on its progress towards fulfilling it's vision to, "enable Northport's growth and actively invest in business ecosystems to transform Northland's economy".

Principle 5 – Remuneration

The remuneration of directors and senior management should be transparent, fair and reasonable.

Marsden Maritime's approach to remuneration aims to attract, motivate and retain talented employees at all levels of the Company and seeks to align the interests of its shareholders and employees, whilst driving performance and growth in shareholder value and return.

Director Remuneration

Directors are remunerated in the form of director fees which are paid within an aggregate annual pool amount approved by shareholders.

The Board reviews its fees approximately every three years to ensure the Company's non-executive directors are fairly remunerated for their services, recognising the time commitment together with the level of skill and experience required to fulfil the role, and to enable the Company to attract and retain talented non-executive directors. The process involves benchmarking against a group of industry peer companies including other designated NZ Port Companies.

Non-executive directors have no entitlement to any performance-based remuneration or participation in any share-based incentive schemes. No retirement entitlements are payable.

Director fees paid to the non-executive directors of the Company for the financial year ended 30 June 2022 are shown in the Statutory Information section on page 26 of this report.

Chief Executive Remuneration

The composition of the Chief Executive's remuneration is as follows:

- Base or fixed remuneration – determined by the scope of the role and the level of knowledge, skill and experience required of the individual.
- Short-term incentive plan – this comprises an annual incentive, based on a percentage of the fixed remuneration, dependent on the achievement of key performance targets.

Any short-term incentive is paid at the discretion of the Board upon recommendation of the Remuneration Committee.

Remuneration paid for the years ended:

	2022	2021
Salary	169,179	235,510
Other Benefits	15,836	26,865
Short Term Incentive	29,673	19,125
Termination Settlement	90,053	-
	304,741	**281,500**

* Other benefits include company motor vehicle, medical insurance and Kiwisaver.

Corporate Governance Statement

The amounts shown in the above table for 2022 are for remuneration that relates to the former Chief Executive, Felix Richter, who was employed until 21 January 2022.

Principle 6 – Risk Management

Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.

Risk Management Framework

The Company's risk management framework integrates risk management into the Company's operations and formalises risk management as part of the Company's internal control and corporate governance practices.

Key Risks

Business

The Company's senior management are required to regularly identify the major risks affecting the business, record them in a risk management register, develop strategies to mitigate these risks and advise the Audit and Risk Committee of any emerging risks. The Committee regularly reviews the Company's risk profile and risk management register. It receives reports on the operation of risk management policies and procedures. Significant risks are discussed at each board meeting, or as required.

The Company maintains insurance policies that it considers adequate to meet its insurable risks. As part of risk management, the Company has a comprehensive Treasury Policy that sets out the procedures to minimise financial market risk.

Health and Safety

The Company considers the health and safety of its employees, contractors, clients and authorised visitors to its premises to be of utmost importance. The key principle applied is that "no job is so important that we are unable to take the time to work safely". The Board oversees the implementation of a Health and Safety Management System that conforms to best management practices, in accordance with AS/NZS 9801:2001.

The Board closely monitors a series of key lag and lead indicators including hazard reporting, incidents/ near misses, safety briefings held, training sessions, contractor inductions and audits undertaken.

Environmental

The Company recognises there are risks associated with particular parts of its operation, which could potentially have a detrimental impact on the environment. Once identified, these risks are mitigated by putting preventive measures in place and also ensuring adequate resources are available to respond to an environmental harm event.

Principle 7 – Auditors

The Board should ensure the quality and independence of the external audit process.

Ensuring the quality and independence of the external audit process is of utmost importance to the Board. The Audit and Risk Committee monitors the external audit programme and processes on behalf of the Board.

External Auditors

Pursuant to the Public Audit Act 2001, the Office of the Auditor-General is the auditor of the Company. The Office of the Auditor-General appoints an audit firm and partner to carry out the annual audit on their behalf. The lead audit partner is rotated every five years, consistent with the requirements of the NZX Listing Rules.

The Company's external auditor for the year ending 30 June 2022 was Lloyd Bunyan of EY on behalf of the Auditor – General. Mr Bunyan has been the auditor since 1 July 2017.

The external auditor meets at least once a year with the Audit & Risk Committee without management present. The auditor also has a direct line of communication to the Chair of the Audit & Risk Committee on any matters that require discussion. The auditor may call a meeting of the Audit & Risk Committee at any time.

To ensure the independence of the Company's external auditor is maintained, the Board has determined that the external auditor should not provide any services not permitted under Office of the Auditor-General's standards. The Committee requires the external auditor to confirm annually in writing that it has complied with all professional regulations in relation to auditor independence.

The lead audit partner or a representative from EY attends the Annual Meeting of shareholders and is available to answer questions about the audit process, the Company's accounting policies and the independence of the auditor.

Internal Audit

The Company has internal processes and controls that are considered to be appropriate for the size and complexity of the organisation. The Audit & Risk Committee carefully considers the external auditor's management report which lists its key findings and recommendations about significant matters arising from the audit.

Corporate Governance Statement

Principle 8 – Shareholder Relations

The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.

Marsden Maritime seeks to ensure that investors understand the Company's activities by communicating effectively with them and giving them access to clear and balanced information.

The key information channels used by the Company are periodic market announcements released first to the NZX, the annual and half year results announcements, annual reports, the Company's website and the Annual Meeting of shareholders.

Access to Information

Annual reports, NZX releases, governance policies and a variety of corporate information is posted onto the Company's website. The Company's and management contact details are provided on the website. Shareholders can elect to receive the Company's annual report, dividend remittance statements and other documents electronically. Computershare's contact details are provided on the website and in the annual report.

Annual Meeting and Voting Rights

The Company's Annual Meeting of shareholders is usually held in Northland. The Notice of Meeting is issued at least 20 business days prior to the meeting.

Marsden Maritime's commitment to timely and balanced disclosure is set out in its Continuous Disclosure Policy and includes advising shareholders on any major decisions.

When voting on a shareholder matter occurs, the Board encourages investors to attend the meeting or to send in a proxy vote. Shareholders may raise matters for discussion at the Annual Meeting of shareholders either in person or by emailing the Company with a question to be asked.

Analysis of Shareholdings

Top 20 Shareholders as at 1 July 2022		No. of Shares	Percentage
1.	Northland Regional Council	22,142,907	53.61%
2.	Ports of Auckland Limited	8,218,829	19.89%
3.	MFL Mutual Fund Limited – a/c NZCSD	977,102	2.36%
4.	National Nominees Limited – a/c NZCSD	819,995	1.98%
5.	HSBC Nominees (New Zealand) Limited – a/c NZCSD	722 169	1.74%
6.	Accident Compensation Corporation – a/c NZCSD	670,400	1.62%
7.	M A Janssen Limited	430,833	1.04%
8.	Custodial Services Limited	271,195	0.65%
9.	JBWere (NZ) Nominees Limited	238,886	0.57%
10.	Citibank Nominees (NZ) Limited – a/c NZCSD	205,555	0.49%
11.	Fraser Bloomfield Hardie and Pamela Joan Hardie and Sharon Mary Dower and Christine Pamela Hardie	205,000	0.49%
12.	Neil Stuart Campbell	167,500	0.40%
13.	Kennedy Westland Garland and Christopher Gary Deane	150,241	0.36%
14.	New Zealand Depository Nominee Limited	147,050	0.35%
15.	Francis Lewis David Warren and Avril Pamela Warren	127,040	0.30%
16.	Jonathan Brian Michell	118,000	0.28%
17.	Bryan Douglas Robertson and Susan Lynette Robertson	117,500	0.28%
18.	Hobson Wealth Custodian Limited	103,252	0.25%
19.	Christopher Robert Malcolm and Helen Ann Malcolm	100,000	0.24%
20.	Howard Cedric Zingel	97,928	0.23%

Substantial Security Holders

The Company has 41,300,651 issued voting securities. Northland Regional Council and Ports of Auckland Limited are substantial security holders having a relevant interest which is the same as their registered shareholding.

Holding Size	Number of Shareholders		Shares Held	
1 – 999	434	31.22%	171,807	0.42%
1,000 – 4,999	657	47.26%	1,427,013	3.46%
5,000 – 9,999	133	9.57%	834,420	2.02%
10,000 to 99,999	147	10.58%	2,933,957	7.10%
100,000 and over	19	1.37%	35,933,454	87.00%
	1390	**100.00%**	**41,300,651**	**100.00%**

Domicile	Number of Shareholders		Shares Held	
Northland	415	29.85%	24,321,650	58.90%
Auckland	482	34.68%	13,287,891	32.17%
Balance of New Zealand	457	32.88%	3,289,183	7.96%
Overseas	36	2.59%	401,927	0.97%
	1390	**100.00%**	**41,300,651**	**100.00%**

Directory

Registered Office

Marsden Maritime Holdings Ltd
8 Marsden Bay Drive
Marsden Point 0171
PO Box 196
Ruakaka 0151
New Zealand
Telephone 09 432 5033
www.marsdenmaritime.co.nz

Auditor

Lloyd Bunyan on behalf of the Auditor General

Banker

Bank of New Zealand

Solicitors

Heimsath Alexander
Webb Ross McNab Kilpatrick

Share Registrar

Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
159 Hurstmere Road
Takapuna, North Shore City 0622
New Zealand

Directors

Murray Jagger (Chairman)
Kirsten Andrews
Mark Bogle
Tony Gibson
Benoît Marcenac
Rabin Rabindran
Hamish Stevens

Management

Rosie Mercer
Chief Executive
Telephone 027 316 6999

Gavin Carroll
Financial Controller/
Company Secretary
Telephone 09 432 5052 (Direct)

Stephen Gibson
Business Development Manager
Telephone 021 211 6255

Brent Wilson
Marina Complex Manager
Telephone 09 432 7740
(Marina Office)

Karri Williams
Administration Manager
Telephone 09 432 5033

Joint Venture

Northport Ltd
PO Box 44
Ruakaka 0151
New Zealand
Telephone 09 432 5010
Facsimile 09 432 8749
www.northport.co.nz

Managing your shareholding on-line:

To change your address, update your payment instructions and to view your investment portfolio including transactions, please visit:
www.computershare.co.nz/investorcentre

General enquiries can be directed to:

enquiry@computershare.co.nz
Private Bag 92119, Auckland 1142, New Zealand
Telephone +64 9 488 8777
Facsimile +64 9 488 8787

Please assist our registrar by quoting your CSN or shareholder number.

Marsden
MARITIME HOLDINGS LTD