Marsden
MARITIME HOLDINGS LTD

Annual Report 2023

Based at Marsden Point, Northland, Marsden Maritime Holdings (MMH) is proud to play a significant role in Northland's economic development.

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, 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 and progress from the business to execute our ecosystem-based strategy, updates on our sustainability journey, and MMH's financial information for the year ended 30 June 2023.

Financial Calendar

Annual Meeting
The Annual Meeting of shareholders of Marsden Maritime Holdings Ltd will be held in Whangarei and virtually on 14 November 2023

2024 Interim Profit Announcement
February 2024

Interim Dividend Payment
March 2024

Contents

Key Highlights

Financial

$11.3m

Revenue from Business Park and Marina Operations, up 29% from $8.7m last year.

$6.1m

Marina Revenue (including Boatyard and goods sold), up 26% from $4.8m last year.

32%

Increase in lease revenue to $4.8m, up from $3.7m in the previous year.

$8.3m

Net profit after tax before valuations, down 9.2% from the same period last year.

$8.1m

Earnings from joint venture interest in Northport Ltd, down 3.5% from $8.4m last year.

$3.7m

Increase in marina valuation, up 29.6% due to the continued development and focus in our marina operations.

13.5¢/share

Total dividend distribution for the year. A fully imputed final dividend of 7.5 cents per share to be paid on 29 September 2023.

Operational

Completed independent materiality assessment on environment, social and governance risks.

Planning underway for the Masterplan implementation.

Implemented the Geo-Spatial Information System (GIS) Platform.

7

New employees.

78%

Berth occupation at Marsden Cove Marina, maintaining high occupancy at the marina and boatyard.

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

79

Tenancies (13 new).

92%

Occupancy rate of assets as of 30 June 2023.

Executive Review

The 2023 financial year has seen Marsden Maritime Holdings (MMH) focus on getting the business on the right path for a truly sustainable future.

Over the past 12 months, the Board and Management have been continuing to shape the business to execute our 'ecosystem-based' strategy and Masterplan over the next 30 years. We are pleased with the overall performance of the business under challenging conditions and believe MMH is well positioned to leverage the opportunities coming our way.

Our primary focus this year has been on getting the foundations right. That includes building the right team, investing in our people and getting to know our stakeholders. We have attracted new talent and skills into the business and identified some capable leaders internally who have been promoted. We have also made some organisational changes to centralise tasks and bring efficiencies to our delivery.

During the reporting period, Rosie Mercer was appointed as our new Chief Executive. We also welcomed the appointment of Vidura Galpoththage as Head of Finance and Marc Forrester as Project Manager, and the promotion of Karri Williams to Property and Corporate Services Manager. Vidura brings strengths in financial management, audit and investment due diligence. Marc brings excellent project discipline to ensure that what we build is what customers want. We farewelled Gavin Carroll and Brent Wilson from the management team and thank them for their tenure and wish them well for the future. We would like to sincerely thank Deepthi Swarnapuri for stepping in as Interim Head of Finance prior to Vidura's appointment.

We're excited about the talent and potential in our team. We're confident we now have the right team in place to deliver on our purpose of transforming Northland's economy, and positioning MMH to take advantage of the significant growth opportunities ahead.

In the last 12 months, we launched our Masterplan and our new GIS platform was built and implemented, so we now have post-cyclone aerial photography that is completely up to date. The Board also undertook strategy planning and development of a 5-year draft investment programme – a critical piece of work in terms of positioning MMH to ensure we can springboard into the future of growth.

Environmental, Social and Governance (ESG)

In line with commitments made last year, we are continuing to embed ESG alongside our strategy and Masterplan – bringing it to the centre of everything we do and holding ourselves accountable for delivering against it.

This year's ESG focus has been the completion of an independent materiality assessment to provide us with a clear picture of the ESG issues that matter the most to MMH and our stakeholders. The next important step in our sustainability journey will be to update our ESG framework in line with the findings of the materiality assessment and establish targets for delivery.

Throughout the year we have really enjoyed learning more about the history of Poupouwhenua and building our relationship with Patuharakeke and starting our relationship with Te Parawhau. When our new Chief Executive started in the role, we were invited by Patuharakeke Te Iwi Trust Board to the Takahiwai Marae for a whakawhiti. The MMH Board and all employees enjoyed the experience, and Rosie's children shared in the day also – a reminder of the importance of whanau embraced in te Ao Māori. Rosie also enjoyed the support of the Tāmaki Herenga Waka Kapa Haka group. We enjoyed kai together and learning about the history and the grievances mana whenua have suffered. We shared the vision for our business park He Ara Huringa and received valuable feedback about how to align our aspirations with those of mana whenua. The whakatauki "Nāu te rourou, nāku te rourou ka ora ai te iwi" is a perfect reflection of what the day meant to us.

More recently we are thrilled to share that Patuharakeke Te Iwi Trust Board has taken up a lease of one of MMH's buildings which gives them the space and facilities to support the important work they do.

Financial

We recorded a net profit after tax (excluding revaluation of investment property and fair value movements) of $8.2m, which is down from last year's $9.1m but in line with the range provided in the trading update issued in July 2023. Our reported after-tax profit was impacted by the significant increase in interest costs, as a result of interest rate rises, and the effects of Cyclone Gabrielle on our joint venture Northport.

NPAT after revaluation of investment property and fair value movements totalled $7.9m, down on last year's result of $13.1m which was impacted by the substantial upwards revaluation in 2022. The revaluation in 2022 was positively impacted by property market conditions and adjustments following Covid.

Revenue from the company's Business Park and Marina Operations has continued to grow, totalling $11.3m, up 29% from $8.7m last year. Underlying earnings from Business Park and Marina Operations related activity increased by 7% to $1.6m (from $1.5m in 2022).

Lease revenue saw a 32% uplift to $4.8m, from $3.7m in the previous year. This result was driven by the completion of commercial and industrial developments and strong demand resulting in high occupancy rates of these new assets. Marina revenue (including Boatyard and goods sold) was $6.1m, up 26% from $4.8m. The Marina continues to receive positive feedback about the quality of the hardstand and the exceptional service the boatyard team consistently delivers.

In line with our dividend policy, shareholders will receive a fully imputed final dividend of 7.5 cents per share on 29 September 2023. This will bring the total dividend distribution for the year to 13.5 cents per share, down 2.5 cents from last year.

Northport

During the reporting period, Northport signed a Memorandum of Understanding with Ocean Flyer and Northland Inc to design and develop the infrastructure needed to operate an Ocean Flyer service from Whangārei. As part of the agreement, Northland Inc will support engagement with the community, local authorities and businesses to help Ocean Flyer establish operations.

Northport also lodged their resource consent application for terminal expansion. The container terminal expansion project is a core part of Northport's Vision for Growth.

The Northland economy was particularly hard hit by the impacts of Cyclone Gabrielle and this resulted in reduced log volumes and container numbers through Northport. Bulk cargo throughput at Northport decreased to 2.6m tonnes, from 2.9m tonnes last year. Log exports of 2.0m tonnes, down from 2.3m tonnes a year ago, accounted for 77% of this volume. Annual container volumes were 16,809 TEU, down on the previous financial year where 19,142 TEU were

Vidura Galpoththage

Murray Jagger

Rosie Mercer

handled. As a result, earnings from our joint venture interest in Northport Ltd were down 4% from last year's $8.4m, to $8.1m.

Cyclone Gabrielle has had lasting impacts on log volumes and vulnerability of the roads, underscoring the fragility of the transport networks that connect Tai Tokerau to Tāmaki Makaurau, with the impact greatly felt in the early months of 2023. The new motorway extension has provided incredible improvement and highlights the need to continue that extension to reduce our vulnerable road transport links.

Rail has also been fragile and we are awaiting the announcement of the rail spur. A rail link to Marsden Point is crucial for Northland's economic development, unlocking the port to deliver more of the country's goods. It is really important for Northport to be able to play its part in the upper North Island Supply Chain, and rail is a critical piece of the strategy.

Further investment in infrastructure is needed to secure our future and allow us to attract the business growth we expect. Until we see major investment in infrastructure, particularly rail spur, current headwinds will remain.

Outlook

We have faced a challenging environment over the last 12 months, but MMH has demonstrated its resilience and we are pleased with the performance and direction of the business overall. As we emerge from Covid and the cyclone recovery, we understand the importance of businesses like ours to drive growth, support the community and help the region get back on track.

Over the next 12 months, our focus is on growing revenue while ensuring that we have the right plan to manage and maintain our existing assets well. With the higher cost of debt, sound asset management is a must to maximise returns from our existing assets. It will also allow us to get into a more sustainable expenditure pattern and improve our level of service to customers.

Northport is one of the major deliverers for us, but we now have a robust business model that enables us to drive revenue from other assets. In the year ahead, MMH will continue to focus on balancing the four ecosystems (Port, Industrial, Commercial and Marine) at the core of our business so it's not just the port driving revenue.

We will also continue to focus on building our team and implementing the investment needed in our people for the growth we've got ahead. We are excited about the opportunities for MMH as we position ourselves to execute our long-term strategy, and we are confident our strong commercial focus will enable us to deliver prosperity for our stakeholders and the region.

Murray Jagger
Chairman

Rosie Mercer
Chief Executive

Strategy

PURPOSE

TRANSFORMING NORTHLAND'S ECONOMY

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

Our strategy and masterplan continue to guide our business decisions. It's about developing a meaningful commercial footprint to drive growth in the region, enabling the port's growth and actively investing to transform Northland's economy. Our strategy framework identifies four business ecosystems that comprise our core business (Port, Marine, Commercial and Industrial), and two that expand the core (Port Network and MMH Investment Network).

CORE BUSINESS

Port ecosystem

Supporting the growth of Northport

During the period, we completed one industrial development, a 5,000m^2 bulk storage facility within close proximity to the port. This facility is tenanted by bulk product importer, Nutrinza. Across our bulk stores, stronger than forecasted demand has resulted in high occupancy rates of these assets. New tenants include ContainerCo and Smith Crane & Construction.

Marine ecosystem

Reinforcing Marsden Point's reputation as a marine services hub

We continue to receive positive feedback about the quality of the hardstand and the exceptional service the boatyard team are renowned for. Marina revenue (including Boatyard and goods sold) was $2.837m, up 13% from $2.509m.

In the reporting period, we welcomed Abel Marine to our hardstand who have relocated to Marsden Cove with a new Smart Shelter built for them, and we are establishing a good balance of service providers within this ecosystem. With Remi Edwards promoted to Boatyard Manager during the period, we're looking forward to working on the next phase of development and growth of the marina and boatyard over the next 12 months.

Commercial ecosystem

Growing the local economy more generally

The focus this year has been on getting occupancy levels up across all our commercial units, with a good range of commercial units now available (including the units above the supermarket as well as the Kiteotara units). We have also been increasing our focus on customer engagement in our property management function, including putting best practice customer service and property management techniques and routines in place.

At the marina, a new liquor store was completed while Land & Sea was sold and we welcomed new cafe owners, The Marina Cafe. The Marsden Cove Rejuvenation Project has been delayed so in the meantime we have put a range of pop-up retail stores in the building, welcoming La Trend (a home and giftware store), 36 Degrees (boat brokers) and, for several months, the Villy Barber.

Industrial ecosystem

Assisting the transformation of the wider Northland economy

The main focus this year has been working with existing industrial tenants who are interested in expanding their existing businesses within the Marsden site, and exploring options for delivering this.

EXPANDING THE CORE

Port Network

Business opportunities outside MMH land that support the growth of Northport

This year we have engaged with existing port ecosystem users and tenants to improve asset use efficiency with current customers. We've also been working with potential customers on several new build projects and have identified a suite of core projects to focus on in the next five years as we begin to deliver on our Masterplan.

During the period, we've strengthened our relationship with Northport at a management level and have been exploring opportunities to work together to provide a seamless pathway for providers into the port. We are excited about some of the discussions we have underway.

MMH Investment Network

Business opportunities outside MMH land that support the growth of MMH

Last year, we commenced due diligence to purchase the land under the proposed Oruku Landing conference and multi-events centre in Whangārei. This year, the project was reviewed by the Government and we re-approached Whangarei District Council (WDC) about participating to strengthen the local community contribution and commitment to the project.

In August 2023, the Government announced its withdrawal of funding and WDC reconsidered its support of the project. We are confident that the Oruku development presents an exciting and much needed opportunity for capital, economic and social investment into Whangārei and Northland so are asking the Government to reconsider its decision.

During the period, we've strengthened our relationship with Northport at a management level and have been exploring opportunities to work together to provide a seamless pathway for providers into the port. We are excited about some of the discussions we have underway.

Sustainability

Our core focus for ESG this year has been updating our materiality matrix to ensure we're focusing on the most material areas for our business and stakeholders. With our materiality matrix now updated, we are moving to refresh our ESG framework to reflect material topics and outline a set of targets for each.

Materiality

This year, we completed an independent materiality assessment to ensure we are focusing on the Environmental, Social and Governance (ESG) issues that matter the most to our business and stakeholders.

Materiality is a core principle of global reporting frameworks. The updated assessment will inform our approach to deeper integration of ESG into our governance, risk management, strategy, and metrics and targets.

Process

The process, conducted by third-party experts, included engagement with internal and external stakeholders using qualitative methods to understand and account for the issues that matter the most.

18 external stakeholder interviews were conducted. Stakeholders were asked a series of open questions regarding growth plans and our role, business purpose, issues, risks and opportunities. Themes were pulled from each interview and, once analysed, key themes were added to a list of key topics.

Due to extreme weather events and their impact on the region, a decision was made not to interview stakeholders who were impacted the most and to revisit them later in the year.

An internal stakeholder workshop was then held with our executive team. The purpose of the workshop was to present external stakeholder perspectives, discuss any additional material topics, rank topics by importance and influence, and conduct stakeholder weighting.

Topics identified by all stakeholders were then considered based on a combination of:

- Their impact on the environment, society or the business.
- The level of stakeholder concern around these topics.
- The amount of influence the organisation has on the topic.

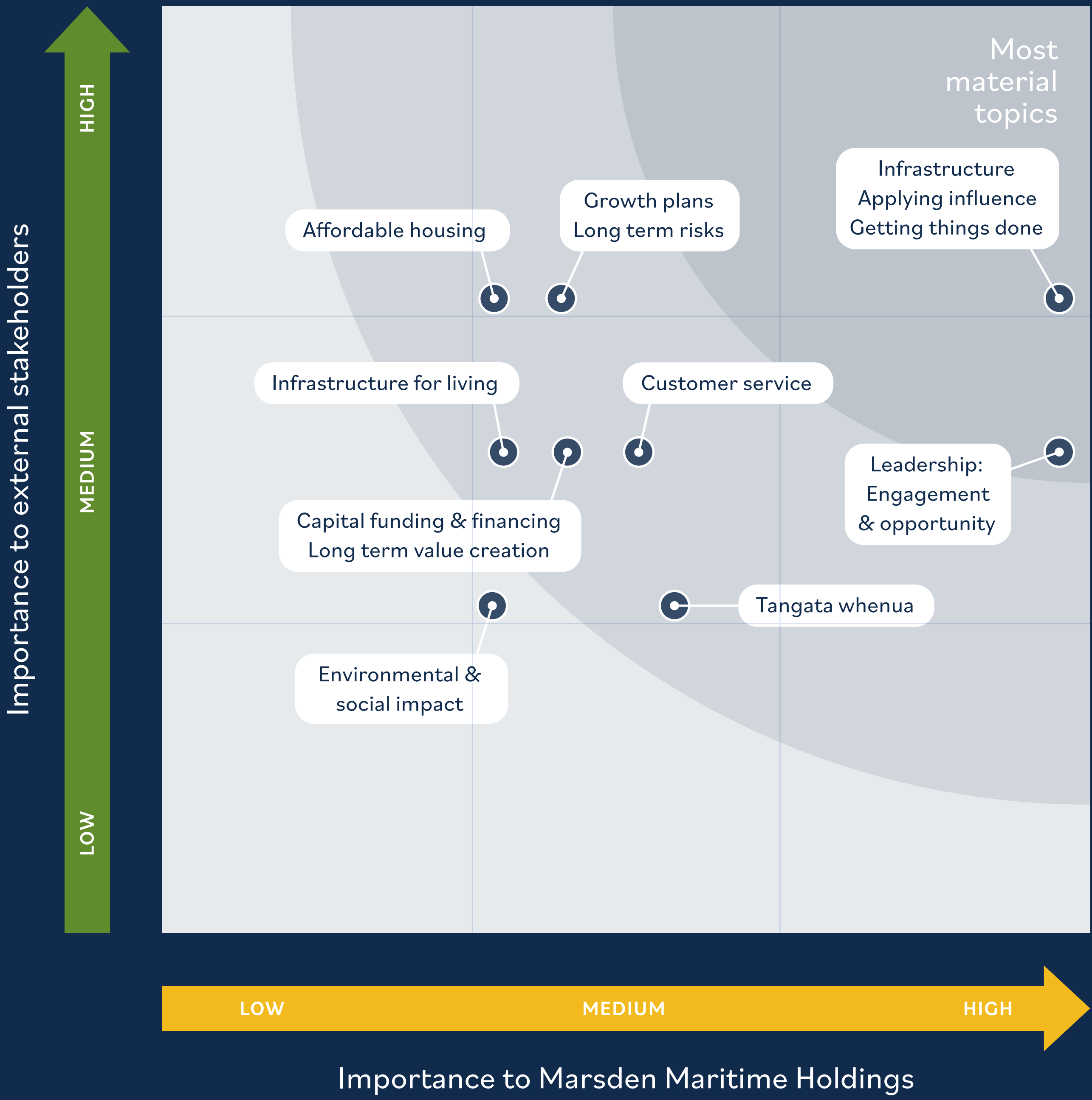
Material topics

The assessment identified 10 material topics considered to be the most important to our ESG performance. These are shown in the matrix [opposite].

The matrix shows each topic's relative importance to one another, and the correlation between internal and external views. While the findings appear to show that some topics are of lesser importance to MMH and its external stakeholders, all topics included in the materiality matrix are important.

We do, however, acknowledge that environmental and social impact was rated lower than other topics by both MMH and its stakeholders. This is perhaps a reflection of a lack of deeper understanding of our responsibility to drive social and environmental outcomes, and we plan to address this in the coming year.

Materiality Matrix



Emissions inventory

In last year's report, we presented the outcomes of our work on emissions profiling in collaboration with Oxygen Consulting to establish our baseline emissions inventory, covering the period from April 2021 to March 2022.

This year, we are bringing our emissions inventory reporting in line with climate-related disclosures and our financial reporting. A new emissions inventory is being compiled for the period from July 2022 to June 2023. The updated emissions inventory will be published on our website when complete.

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Climate-related disclosures

We have also started preparing for the requirements of new mandatory climate-related disclosures, which are designed to help New Zealand meet its international obligations and achieve its target of zero carbon by 2050.

During the period, the NZ Shareholders' Association (NZSA) released a new environmental sustainability policy for all NZX listed companies. It supported the extension of the 'four pillar approach' to climate-related disclosures developed by the Task Force on Climate-related Financial Disclosures (TCFD) as a framework to cover all environmental sustainability issues.

We intend to use this framework for disclosing our sustainability work under the four pillars of Governance, Risk Management, Strategy and Metrics/Targets. Reporting against these pillars will be published in our 2024 annual report.

Board of Directors

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 Embark Early Education, Pharmaco, The Kennedys and East Health Services. Hamish is also a Director of Radius Care, Health Improvement Group and Counties Energy. Hamish is a Chartered Fellow of the Institute of Directors and a qualified chartered accountant. Hamish joined the Board in October 2018 and is considered to be an Independent Director.

Benoît Marcenac

Director Marsden Maritime Holdings Ltd

Member Board Nomination Committee

Chair Port Ecosystem and Land Oversight Committee

Mr. Marcenac has more than 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 12 years, the Marcenac family has owned a farm in Northland and more time is being spent there. Benoît is also a Shareholder & Director of Export Plus Ltd (export of food products) and a Shareholder & Director of Sofi Holdings Ltd (commercial real estate). Benoît joined the Board in October 2019 and is considered to be an Independent Director.

Tony Gibson

Director Marsden Maritime Holdings Ltd

Chair Remuneration Committee

Mr Gibson is Managing Director and CEO of VINZ. Prior to this, he 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 a Director and Shareholder of ERoad Ltd, a Director of JEVIC, NZ and a Board advisor to JEVIC, Japan. Tony joined the Board of Marsden Maritime Holdings Ltd in April 2018 and is considered to be an Independent Director.

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. Mark is currently a director of Marsden Cove Canals Management Ltd, a director of Workbridge Employment Services Ltd, a Trustee of the Workbridge Foundation, 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. Mark joined the Board in October 2014 and is considered to be an Independent Director.

Murray Jagger

Chairman Marsden Maritime Holdings Ltd

Member Remuneration Committee

Chair Board Nominations Committee

Chairman Northport Ltd

Chairman North Tugz 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 Chair 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

Member Audit and Risk 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 masterplanning 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.

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, Brent Penrose 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 2023	**30 June 2022**	**30 June 2023**	**30 June 2022**	**30 June 2023**	**30 June 2022**
K Andrews						
M Bogle	25,000	25,000	-	-	-	-
T Gibson	-	-	-	-	-	-
M Jagger	-	-	-	-	-	-
B Marcenac	-	-	-	-	-	-
H Stevens	-	-	-	-	-	-

There were no share transactions during the period 1 July 2022 to 30 June 2023.

Directors' Interests

The following are particulars of general disclosures of interest by Directors of Marsden Maritime Holdings Ltd holding office at 30 June 2023 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 2022 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 Employment Services Ltd	Director
Workbridge Foundation	Trustee (appointed 3 April 2023)

Tony Gibson

North Tugz Ltd	Chairman (ceased 31 October 2022)
AMG Consulting Ltd	Director
ERoad Financial Services Ltd	Director
ERoad Ltd	Director/Shareholder
Vehicle Inspection New Zealand Limited	CEO/Managing Director (appointed 22 August 2022)
Inspicere Limited	Director (appointed 22 August 2022)

Murray Jagger (Chairman)

Manaia View Farms Ltd	Director
Taurikura Farms Ltd	Director
Northport Ltd	Chairman
North Tugz Ltd	Chairman

Benoît Marcenac

Sofi Holdings Ltd	Director/Shareholder
Te Hana Consulting Ltd	Director/Shareholder
Export Plus Ltd	Director/Shareholder (appointed 31 August 2022)

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
Embark Early Education Ltd	Chairman
Radius Residential Care Ltd	Director

Kirsten Andrews

KIA Property Consulting Limited	Director
West Auckland Trust Services	Director (appointed 1 August 2022)

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	$73,624	
M Bogle	$76,499	-
T Gibson	$75,500	-
M Jagger	$139,499	* $91,665
B Marcenac	$74,499	-
R Rabindran	$41,884	-
H Stevens	$83,499	$35,000
	$565,484	**$126,665**

The Director fees include back payment fees relating to the prior year which was approved by the shareholders.

* $21,665 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 2023: $3.89 (30 June 2022: $4.00)

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	
	2023	2022
$110,001 – $120,000	1	1
$130,001 – $140,000	1	-
$150,001 – $160,000	-	1
$180,001 – $190,000	2	-
$200,001 – $210,000	-	1
$300,001 – $310,000	-	1
$330,000 – $340,000	1	-

Consolidated Financial Statements

Contents

Consolidated Statement of Profit or Loss

For the Year Ended 30 June 2023

	Note	30-Jun-23 $	30-Jun-22 $
Income			
Lease revenue		4,831,450	3,653,165
Marina operations		2,836,769	2,509,276
Revenue from goods sold		3,252,964	2,324,575
Other income		331,454	230,372
Operating income		**11,252,637**	**8,717,388**
Expenses			
Operating expenses	3.1	(2,406,348)	(1,750,706)
Cost of goods sold		(2,943,074)	(2,115,157)
Land rates and lease expenses	3.2	(528,019)	(632,772)
Administrative expenses	3.3	(3,201,160)	(2,149,050)
Depreciation	6	(545,671)	(542,148)
Other expenses		-	(6,605)
Operating expenses		**(9,624,272)**	**(7,196,438)**
Revaluation of investment property	5	(273,541)	3,918,404
Fair value movements – other investments	14	44,376	(103,144)
Operating profit		1,399,200	5,336,210
Finance income		2,472	218
Finance expenses	3.4	(1,584,036)	(828,926)
Net finance expenses		**(1,581,564)**	**(828,708)**
Share of profit from joint venture	7	8,135,304	8,431,879
Profit before income tax		**7,952,940**	**12,939,381**
Income tax benefit/(expense)	13	(24,973)	168,026
Net profit after tax (attributable to owners of the company)		**7,927,967**	**13,107,407**
Basic and diluted earnings per share (cents)	12.2	19.20	31.74

The accompanying notes form an integral part of these financial statements

Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2023

	Note	30-Jun-23 $	30-Jun-22 $
Net profit after tax		**7,927,967**	**13,107,407**
Other comprehensive income			
Items that will be recycled through profit and loss			
Cash flow hedges – gain (loss) taken to reserves		587,403	1,868,471
Income tax relating to items of other comprehensive income		(164,473)	(523,172)
	4.2	**422,930**	**1,345,299**
Items that will not be recycled through profit and loss			
Movement in asset revaluation reserve net of tax	6	(2,355,000)	(2,356,830)
Share of movement in revaluation reserve (Northport Ltd)	7	(4,188,035)	10,173,761
		(6,543,035)	**7,816,931**
Total other comprehensive income		**(6,120,105)**	**9,162,230**
Total comprehensive income for the period (attributable to owners of the company)		**1,807,862**	**22,269,636**

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2023

	Note	Share Capital $	Retained Earnings $	Asset Revaluation Reserve $	Hedging Reserve $	TOTAL $
Balance at 1 July 2022		**14,688,144**	**75,516,241**	**74,386,781**	**740,597**	**165,331,763**
Net profit after tax		-	7,927,967	-	-	7,927,967
Other comprehensive income	4.2; 6; 7	-	-	(6,543,035)	422,930	(6,120,105)
Total comprehensive income		**-**	**7,927,967**	**(6,543,035)**	**422,930**	**1,807,862**
Dividends to shareholders	12	-	(6,608,104)	-	-	(6,608,104)
Balance at 30 June 2023		**14,688,144**	**76,836,104**	**67,843,746**	**1,163,527**	**160,531,521**
Balance at 1 July 2021						
Net profit after tax		-	13,107,406	-	-	13,107,406
Other comprehensive income	4.2; 6; 7	-	-	7,816,931	1,345,299	9,162,230
Total comprehensive income		**-**	**13,107,406**	**7,816,931**	**1,345,299**	**22,269,636**
Dividends to shareholders	12	-	(7,124,363)	-	-	(7,124,363)
Balance at 30 June 2022		**14,688,144**	**75,516,241**	**74,386,781**	**740,597**	**165,331,764**

The accompanying notes form an integral part of these financial statements

Consolidated Balance Sheet

As at 30 June 2023

	Note	30-Jun-23 $	30-Jun-22 $
ASSETS			
Non-current assets			
Investment property	5	110,490,003	108,880,000
Property, plant and equipment	6	26,113,479	28,566,453
Investment in joint venture company (Northport Ltd)	7	57,184,980	61,448,056
Other investments	14	392,187	347,812
Deferred Tax Asset	13.2	-	7,272
Financial Assets	4.1	968,112	672,029
Total non-current assets		**195,148,761**	**199,921,622**
Current assets			
Cash and deposits		72,312	230,201
Receivables and prepayments	8	492,308	260,922
Inventory		110,772	158,742
Total current assets		**675,392**	**649,865**
Total assets		**195,824,153**	**200,571,487**
EQUITY			
Share capital	12.1	14,688,144	14,688,144
Retained earnings		76,836,104	75,516,241
Asset revaluation reserve		67,843,746	74,386,781
Hedging reserve	4.2	1,163,527	740,597
Total equity		**160,531,521**	**165,331,764**
LIABILITIES			
Non-current liabilities			
Bank loans – non current portion	10	31,950,000	24,000,000
Deferred Tax Liability	13.2	73,458	-
Revenue in advance	11	2,148,891	1,860,279
Total non-current liabilities		**34,172,349**	**25,860,279**
Current Liabilities			
Payables	9	1,120,283	1,829,444
Bank loans – current portion	10	-	7,550,000
Total current liabilities		**1,120,283**	**9,379,444**
Total liabilities		**35,292,632**	**35,239,723**
Total equity and liabilities		**195,824,153**	**200,571,487**

For and on behalf of the board of directors who authorised the issue of this financial report on 24 August 2023

Chairman

Director

The accompanying notes form an integral part of these financial statements

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2023

	Note	30-Jun-23 $	30-Jun-22 $
Cash flows from operating activities			
Receipts from customers		11,133,661	8,789,265
Dividends received		8,440,084	9,528,734
Interest received		2,472	218
Payments made to suppliers and employees		(8,995,632)	(6,469,642)
Interest paid	3.4	(1,625,377)	(987,070)
Income tax paid		(27,146)	(27,414)
Net cash flow from operating activities		**8,928,062**	**10,834,091**
Cash flows from investing activities			
Sale of property, plant and equipment		-	4,764
Purchase of property, plant and equipment		(284,141)	(428,930)
Purchase of and improvements to investment property		(2,593,706)	(10,808,871)
Net cash flow from investing activities		**(2,877,847)**	**(11,233,037)**
Cash flows from financing activities			
Proceeds from borrowings		400,000	7,600,000
Payment of dividends	12.3	(6,608,104)	(7,124,363)
Net cash flow from financing activities		**(6,208,104)**	**475,637**
Net increase/(decrease) in cash held		**(157,889)**	**76,691**
Opening cash balance		**230,201**	**153,510**
Closing cash balance		**72,312**	**230,201**

The accompanying notes form an integral part of these financial statements

Consolidated Operating Cash Flow Reconciliation

For the Year Ended 30 June 2023

	Note	30-Jun-23 $	30-Jun-22 $
Net profit after tax		7,927,967	13,107,407
Non-cash items:			
Depreciation expense		545,671	542,148
Gain/(Loss) on sale of property, plant and equipment		-	3,198
Revaluation of investment property	5	273,541	(3,918,404)
Other fair value movements	14	(44,376)	103,144
Share of profit from joint venture (net of dividends)	7	284,791	1,080,864
		1,059,627	**(2,189,050)**
Movements in working capital:			
Change in receivables and prepayments		(231,386)	17,174
Change in payables		(709,161)	(25,703)
Change in revenue in advance		288,612	112,889
Change in tax payable		80,730	(7,272)
Change in inventory		47,970	(65,009)
		(523,235)	**32,079**
Non-operating items included in working capital movements above		463,703	(116,345)
Net cash flow from operating activities		**8,928,062**	**10,834,091**

The accompanying notes form an integral part of these financial statements

Notes to the Consolidated Financial Statements

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), its subsidiary Marsden Cove Marinas Limited and the joint venture company Northport Limited (the Group). The subsidiary entity is consolidated, although as the balances are nil, the Group reflects the balances of Marsden Maritime Holdings Limited. As such within this report Group and Company are used interchangeably.

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 Company's operations comprise of its substantial land holdings at Marsden Point, the Marsden Cove Marina complex which consists of a 236 berth marina, adjoining commercial complex and boatyard facility. The Company also has a 50% shareholding in the deep water port facility in the adjacent area.

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 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 Company 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 Company'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 Company. 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 39-43
Estimation of useful lives of assets	Page 43
Tax losses	Page 49

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.

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.

Lease 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 Operations 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

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) Company as a lessee

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

(ii) Company as a lessor

Leases in which the Company 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 Company uses various methods in estimating the fair value of assets. 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 Company. The financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument.

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 at Amortised Cost

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 Company'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).

1.6. New standards, amendments and interpretations

There were no new standards, interpretations and amendments effective since 1 July 2022 or issued but not yet effective that would have a material impact on the Company. The following new standard has been published but is not yet effective and has not been early adopted by the Company.

Notes to the Consolidated Financial Statements

Climate-Related Disclosures

In October 2021, the New Zealand Government passed the Financial Sector (Climate-Related Disclosures and Other Matters) Amendment Act, which requires listed and licensed entities to report on their climate-related financial risk. The XRB (External Reporting Board) are broadly aligned with the Taskforce for Climate Related Financial Disclosures (TCFD), however they go further in some areas, especially around potential and actual financial impacts. The Company will be required to release its first disclosure in accordance with the XRB requirements for the year ending 30 June 2024. This standard is not expected to have a material impact on the financial statements.

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 Company has three operating segments and an "Other Activities" category. During the period the Company operated within one geographic segment being the Northland region.

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

- Northport related Operations (encompassing the Company's shareholding in Northport Ltd).
- Property Holdings (comprising the Company's industrial subdivision and farmland at Marsden Point).
- Marina & Commercial (comprising the Company's activities associated with Marsden Cove Marina which includes fuel sales).
- Other Activities (largely comprising of overheads associated with the Company's support functions).

All Operations are undertaken in New Zealand. Accounting policies (including the accounting policies used to measure the segments revenue and expenses) have been consistently applied across all segments and are the same as those used in the preparation of the Company financial statements.

Notes to the Consolidated Financial Statements

	30 June 2023				
	Northport Related Operations	Property Holdings	Marina & Commercial	Other Activities	TOTAL
Revenue					
Rental revenue from external customers	-	3,849,230	625,177	-	4,474,407
Rental revenue from joint venture	-	357,043	-	-	357,043
Other revenue from external customers	-	216,410	6,201,531	3,246	6,421,187
Total segment revenue	**-**	**4,422,683**	**6,826,708**	**3,246**	**11,252,637**
Other income and expenditure:					
Share of profit from joint venture	8,135,304	-	-	-	8,135,304
Revaluation of investment property	-	(1,804,547)	1,531,006	-	(273,541)
Fair value movements	-	44,376	-	-	44,376
Finance income	-	-	-	2,472	2,472
Finance expense*	-	-	-	(1,584,036)	(1,584,036)
Depreciation expense	-	(52,515)	(436,547)	(56,609)	(545,671)
Other expenses/losses	-	(1,374,359)	(4,964,700)	(2,739,542)	(9,078,601)
Income tax expense	-	-	-	(24,973)	(24,973)
Total other income and expenditure:	**8,135,304**	**(3,187,045)**	**(3,870,241)**	**(4,402,688)**	**(3,324,670)**
Net profit after tax	**8,135,304**	**1,235,638**	**2,956,467**	**(4,399,442)**	**7,927,967**
Total segmental assets	**57,184,980**	**99,329,423**	**37,220,247**	**2,089,503**	**195,824,153**
Total segmental liabilities	**-**	**353,253**	**2,537,939**	**32,401,440**	**35,292,632**
Non-current asset additions:					
Property, plant and equipment	-	163,074	280,318	32,833	476,226
Investment property	-	1,341,370	403,993	-	1,745,364

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

Notes to the Consolidated Financial Statements

	30 June 2022				
	Northport Related Operations	**Property Holdings**	**Marina & 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)	(3,657,326)	(1,847,529)	(6,654,291)
Income tax expense	-	-	-	168,026	168,026
Total other income and expenditure:	**8,431,879**	**(4,044,178)**	**2,578,188**	**(2,575,871)**	**4,390,018**
Net profit after tax	**8,431,879**	**(776,657)**	**8,027,855**	**(2,575,671)**	**13,107,406**
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

3. EXPENSES

	30-Jun-23 $	30-Jun-22 $
3.1 Operating Expenses		
Employee related benefits - Marina Operations	657,807	592,334
Repairs and maintenance	719,969	435,011
Insurance	351,680	304,019
Electricity	57,051	37,883
Marketing expenses	148,135	136,026
Other operational expenses	471,706	245,433
	2,406,348	**1,750,706**

The Company incurs operating expenses in the normal course of business in its role as the Property Manager, that are recoverable from the properties that it manages. These costs include insurance, electricity, repairs and maintenance and rates which totalled $240,975 during the period (2022: $119,825). Costs are recovered in accordance with applicable management agreement and deeds. Recovery of costs are recognised in the profit or loss in the period where the associated cost has been recognised and the ability to recover is certain.

	30-Jun-23 $	30-Jun-22 $
3.2 Land rates and lease expenses		
Land rates	513,019	617,772
Lease expenses	15,000	15,000
	528,019	**632,772**
3.3 Administrative expenses		
Employee related benefits - admin	1,164,643	832,628
Directors' fees *	565,484	283,500
Auditor remuneration - audit fees	108,744	94,000
Donations	16,490	1,585
Share registry expenses	104,616	96,359
Professional fees	883,685	593,692
Other administrative expenses	357,498	247,286
	3,201,160	**2,149,050**

* This includes back payment fees relating to prior year which was approved by the shareholders.

	30-Jun-23 $	30-Jun-22 $
3.4 Finance expenses		
Interest on debts and borrowings	1,625,377	987,070
Less capitalised borrowing costs	(41,341)	(158,144)
	1,584,036	**828,926**

The average weighted borrowing cost rate for capitalisation to property, plant and equipment is based on the monthly average loan balance weighted on the average interest rate of the loan. This was 4.61% for the current period (2022: 2.95%).

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

4. DERIVATIVE FINANCE INSTRUMENTS

As at 30 June 2023 the Company had interest rate swaps in place covering approximately 63% (2022: 63%) of the loan principal outstanding with the Bank of New Zealand (refer note 10), with interest rates of between 2.92% and 6.79%.

	30-Jun-23 $	30-Jun-22 $
4.1 Fair Value of Interest Rate Swaps		
Non-Current	968,112	672,029
	968,112	**672,029**
Movement in Fair Value of Swaps	296,083	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	296,083	672,029
Movement in share of joint venture hedging reserve	291,320	1,196,442
Total movement in hedging reserve before tax	**587,403**	**1,868,471**
Taxation on above items	(164,473)	(523,172)
Total movement in hedging reserve after tax	**422,930**	**1,345,299**
Balance at 1 July	740,597	(604,702)
Balance at 30 June	**1,163,527**	**740,597**
Hedging Reserve - Parent	697,041	483,361
Hedging Reserve - Northport	466,486	256,736

Notes to the Consolidated Financial Statements

Policy

Derivative Financial Instruments and Hedging

The Company 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-Jun-23 $	30-Jun-22 $
Opening Carrying Value	108,880,000	93,445,450
Current Year Movements		
Land Development and Improvements	1,269,432	10,689,396
Other/Subsequent Improvements	-	33,380
Investment Property in Progress	449,626	-
Transferred from Property, Plant & Equipment	26,305	796,280
Movement in Lease Incentives	138,180	(2,910)
Revaluation (recognised in profit and loss)	(273,541)	3,918,404
Closing Carrying Value	**110,490,003**	**108,880,000**

The Company's investment properties consist of freehold land and improvements, as well as the Marsden Cove Marina.

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 2023, by Brad Sworn of Telfer Young (2022: Brad Sworn of Telfer Young), 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.

Notes to the Consolidated Financial Statements

	Valuation Technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
Land and Improvements held for lease	DCF Method,	Land Available for Lease Value per m²*	2023: $40-$280 2022: $40-$240	+/-5% An adjustment to the gross realisation of Block A results in a block value range of $37,500,000 and $41,800,000.
	Income Capitalisation and Direct Comparative	Discount Rate	2023: 7.50%-9.25% 2022: 6.75%-7.75%	+/- 0.25% (3.0% adjustment) This a range of $63,790,000 to $65,400,000
		Capitalisation Rate	2023: 6.25%-7.50% 2022: 5.75%-7.00%	+/-0.5% This shows a range of $59,200,000 to $66,300,000 for Block A industrial
		Exit Yield at 10 years	2023: 6.75%-8.25% 2022: 6.75%-7.75%	+/-0.25% (3.0% adjustment) This shows a range of $63,670,000 to $65,490,000
Marsden Cove Marina	DCF Method	Discount Rate	2023: 11.00%-12.50% 2022: 10.50%	+/-1% The long term rental scenario has a sensitivity analysis range of $13,250,000 and $15,050,000. The sell down scenario has a sensitivity analysis range of $15,950,000 and $17,950,000
		Long Term Licence Reversion Discount Factor	N/A	N/A
Marsden Cove commercial complex	DCF Method	Annual Rental Cashflow	2023: $620,000-$1,019,000 2022: $617,000-$1,000,000	+/-5% adjustment to the potential market rent results in a value of between $10,795,000 and $12,130,000. A 5% adjustment in the growth rate over the DCF results in a value range of $10,765,000 and $13,100,000.
		Exit Yield at 10 years	2023: 7.25% 2022: 7.00%	+/-0.25% (3.0% adjustment) shows a range of $11,453,000 to $11,975,000
		Discount rate	2023: 7.25% 2022: 7.50%	+/-0.25% (3.0% adjustment) This shows a range of $11,466,000 to $11,949,000

* Excludes undeveloped land and land designated for a transport corridor which is valued at $5 per m² (2022: $5 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 Company has no restrictions on the realisability of its investment property.

Notes to the Consolidated Financial Statements

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.

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 Comprehensive Income 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 Company 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 less costs to complete.

Gains or losses on the disposal of investment properties are recognised in the Consolidated Statement of Comprehensive Income 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 Company as an owner-occupied property becomes an investment property, the Company 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

6. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings and Amenities	Plant and Equipment	Capital Work Progress	Total
Cost or valuation					
Balance at 1 July 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**
Additions	-	74,822	161,802	239,601	476,226
Transferred from capital work in progress	-	-	48,884	(48,884)	-
Transferred to investment property	-	-	-	(26,305)	(26,305)
Transferred to operating expenses	-	-	-	(789)	(789)
Disposals	-	-	(1,564)	-	(1,564)
Revaluation	(2,355,000)	-	-	-	(2,355,000)
Balance at 30 June 2023	**16,170,000**	**9,986,508**	**3,162,218**	**402,258**	**29,720,984**
Accumulated Depreciation					
Balance at 1 July 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)**
Depreciation expense	-	(338,318)	(207,353)	-	(545,671)
Disposals	-	-	130	-	130
Balance at 30 June 2023	**-**	**(2,304,447)**	**(1,303,057)**	**-**	**(3,607,504)**
Net book value	-				
At 30 June 2022	**18,525,000**	**7,945,557**	**1,857,262**	**238,634**	**28,566,453**
At 30 June 2023	**16,170,000**	**7,682,061**	**1,859,161**	**402,258**	**26,113,480**

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 2023 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 (2022: Brad Sworn of Telfer Young).

Significant unobservable valuation input:	**Range**
Price per hectare	$70,000 to $170,000

A 5% increase (5% decrease) in estimated price per hectare in isolation would result in a $800,000 higher ($800,000 lower) fair value. With the exception of a portion of land designated for a transport corridor, the Company has no restrictions on the realisability of its freehold land.

Notes to the Consolidated Financial Statements

	30-Jun-23 $	30-Jun-22 $
Carrying value of freehold land if measured using the cost model If freehold land were measured at cost less accumulated depreciation and impairment, the respective carrying amounts would be as follows:		
Using the cost model	**7,487,063**	**7,359,929**

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 Company 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 & Amenities	5-50 years
Plant & Equipment (including vehicles)	2-25 years

Underground fuel tanks related to the Company'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

7. INVESTMENT IN JOINT VENTURE

	30-Jun-23 $	30-Jun-22 $
Northport Ltd		
Main activity: Seaport		
Balance date: 30 June		
Shareholding	50%	50%
Balance at 1 July	61,448,056	51,493,721
Share of net profit after tax	8,123,520	8,420,095
Share of current period elimination re. previous inter entity asset sales	11,784	11,783
Share of profit from joint venture	**8,135,304**	**8,431,878**
Share of hedging reserve	209,751	861,439
Share of revaluation reserve	(4,188,035)	10,173,761
Share of total comprehensive income	**4,157,020**	**19,467,078**
Dividends received	(8,420,095)	(9,512,743)
Balance at 30 June	**57,184,980**	**61,448,056**
Summary Financial Information		
Cash and equivalents	522,922	299,162
Current financial assets	749,618	131,557
Other current assets	4,466,242	5,534,814
Total current Assets	**5,738,782**	**5,965,533**
Non-current financial assets	547,771	584,847
Other non-current assets	163,192,016	170,360,972
Total non current assets	**163,739,787**	**170,945,819**
Total assets	**169,478,569**	**176,911,352**
Current financial liabilities (excluding trade and other payables)	217,015	144,114
Other current liabilities	4,016,204	6,018,855
Total current liabilities	**4,233,219**	**6,162,969**
Non current financial liabilities	48,283,326	45,236,640
Total liabilities	**52,516,545**	**51,399,609**
Net assets	**116,962,024**	**125,511,743**
Company's share of net assets 50%	**58,481,012**	**62,755,872**
Other consolidated adjustments	(1,296,032)	(1,307,816)
Investment in Joint Venture	**57,184,980**	**61,448,056**
Revenue	40,544,942	42,576,502
Depreciation and amortisation	4,610,574	4,437,268
Interest income	26,070	2,284
Interest expense	2,646,927	1,928,092
Tax expense	4,859,118	5,692,469
Net surplus after tax	**16,247,039**	**16,840,189**
Other comprehensive income	(7,956,569)	22,070,398
Total comprehensive income	**8,290,470**	**38,910,587**

Notes to the Consolidated Financial Statements

Policies

The Company'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 Company's share of net assets of the joint ventures. After application of the equity method, the Company determines whether it is necessary to recognise any impairment loss in respect to the Company's net investment in joint ventures.

The Company'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 Company. 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 Company'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 Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

8. RECEIVABLES AND PREPAYMENTS

	30-Jun-23 $	30-Jun-22 $
Trade receivables – net of provision for impairment	334,400	24,925
Related parties (Note 17.1)	603	213
GST refund due	-	42,482
Prepayments	145,776	171,609
Sundry debtors	11,529	21,693
	492,308	**260,922**

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

9. PAYABLES

	30-Jun-23 $	30-Jun-22 $
Trade payables	447,259	905,827
GST Payment due	11,450	-
Retentions	149,050	280,372
Employee leave provisions	48,052	46,687
Other payables	464,472	596,558
	1,120,283	**1,829,444**

Policies

Payables

Payables are carried at amortised cost. These amounts represent liabilities for goods and services provided to the Company 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-Jun-23 $	30-Jun-22 $
BNZ loan facility – current portion	-	7,550,000
BNZ loan facility – non-current portion	31,950,000	24,000,000
	31,950,000	**31,550,000**

As at 30 June 2023, the Company had access to funding facilities with the BNZ totalling $40,500,000 (2022: $40,500,000). A $14,000,000 tranche of the Company's funding facility is due to expire on 31 August 2024. 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 3.88% to 6.93% (2022: 1.32% to 4.16%) 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 Company 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

11. REVENUE IN ADVANCE

	2023 $	2022 $
Balance at 1 July	1,860,279	1,747,390
Marina berth licence sales proceeds	493,340	323,205
Marina berth licence buy back	-	(6,400)
Recognition – current period	(204,728)	(203,916)
Balance at 30 June	**2,148,891**	**1,860,279**

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

	2023 $	2022 $
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).

	Shares	Shares
Total at 30 June	41,300,651	41,300,651

12.2. Earnings per share

Earnings per share of 19.20 cents per share (2022: 31.74 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 (2022: 41,300,651 shares). Diluted earnings per share has been calculated on the same basis.

12.3. Dividends on ordinary shares declared and paid

During the financial year the following dividend payments were made:

	2023 $	2022 $
Final, 30/09/22 – 10.00 cents/share (24/09/21 – 11.25 cents)	4,130,065	4,646,324
Interim, 31/03/23 – 6.00 cents/share (25/03/22 – 6.00 cents)	2,478,039	2,478,039
	6,608,104	**7,124,363**

Subsequent to balance date, the Board of Marsden Maritime Holdings Ltd declared a fully imputed ordinary dividend of 7.50 cents per share with payment to be made on 29 September 2023.

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

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 Company and its joint venture entities fully complied with any externally imposed capital requirements.

13. TAXATION

	30-Jun-23 $	30-Jun-22 $
13.1 Taxation expense		
Net surplus before taxation	7,952,940	12,939,380
Prima facie tax at 28%	**2,226,823**	**3,623,027**
Adjusted for the tax effect of:		
Tax paid joint venture earnings	83,042	305,942
Imputed dividend receipts	(2,357,627)	(2,663,568)
Revaluation non-assessable/non-deductible (income)/expense	60,866	(1,071,573)
Capitalised borrowing costs deducted for tax purposes	(11,575)	(44,280)
Non-deductible expenses	30,717	16,232
Carried forward losses not recognised (recognised)	(7,272)	(333,805)
Income tax expense	**24,974**	**(168,025)**
Represented by:		
Current taxation	24,975	(168,025)
Deferred taxation		
Income tax expense	**24,974**	**(168,025)**
13.2 Deferred tax		
Balance at 1 July	7,272	-
Items Charged to Profit & Loss	(80,730)	7,272
Balance at 30 June	**(73,458)**	**7,272**
Represented by:		
Investment property	(2,207,318)	(1,823,047)
Property, plant and equipment	(188,073)	(149,477)
Financial Instruments	(271,071)	(188,168)
Provisions	32,541	13,072
Deferred tax liability	(2,633,921)	(2,147,620)
Deferred tax asset (tax effect of losses carried forward)	2,560,463	2,154,892
Net deferred tax asset / (liability)	**(73,458)**	**7,272**

Notes to the Consolidated Financial Statements

Significant Accounting Judgement, Estimate and Assumption

At the end of the reporting period the Company has accumulated tax losses amounting to $9,144,510 with a tax effect of $2,560,463 (2022: losses $7,696,043 tax effect $2,154,892) 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 Company has determined that it is appropriate to only recognise 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

14. OTHER INVESTMENTS

	2023	2022
Fonterra Co-operative Group Ltd – Shares		
Balance at 1 July	347,812	450,956
Acquisition/(disposals)	-	-
Fair value movements	44,375	(103,144)
Balance at 30 June	**392,187**	**347,812**

Fair Value Movement in Other Investments	Shares Held	Disclosed Fair Value Per Share		Fair Value Movement
		30-Jun-23	30-Jun-22	
Fonterra Co-operative Group Ltd – Shares	119,935	3.27	2.90	44,375

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 Company 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 Company'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 Company's overall risk management programme seeks to minimise potential adverse effects on its financial performance.

15.1. Liquidity risk

The Company 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 2023, the Company had access to funding facilities with the BNZ totalling $40,500,000 (2022: $40,500,000) of which $31,950,000 was drawn down at this date (2022: $31,550,000). The present and expected level of cash flow is sufficient to meet repayment requirements.

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

Notes to the Consolidated Financial Statements

	On Demand	Less Than 3 Months	3 to 12 Months	Over 12 Months
Interest-bearing loans and borrowings (includes interest expense)	-	319,220	957,660	33,157,020
Trade and other payables	-	458,709	149,050	-
Balance at 30 June 2023	**-**	**777,929**	**1,106,710**	**33,157,020**
Interest-bearing loans and borrowings (includes interest expense)	-	314,990	8,420,260	25,304,100
Trade and other payables	-	905,827	280,372	-
Balance at 30 June 2022	**-**	**1,220,817**	**8,700,632**	**25,304,100**

As at 30 June 2023, joint venture company Northport Ltd had access to funding facilities totalling $55,000,000 (2022: $55,000,000) of which a total sum of $11,100,000 remained undrawn at balance date.

15.2. Credit risk

Credit Risk arises from the financial assets of the Company, which comprises cash and cash equivalents, trade and other receivables, loans and receivables and derivative instruments. The Company'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 Company 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 Company 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 and unlisted 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 Company'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-Jun-23 $	30-Jun-22 $
Financial liabilities		
Bank Loan – unhedged portion	(11,950,000)	(11,550,000)

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 Company 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

	30-Jun-23 $	30-Jun-22 $
+1.0% (100 Basis Points) Post Tax Profit and Equity - Higher (Lower)	(119,500)	(115,500)
-0.5% (50 Basis Points) Post Tax Profit and Equity - Higher (Lower)	59,750	57,750

15.5. Financial instruments

The Company 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	392,187	347,812
Financial assets - derivates designated as hedging instruments		
Interest rate swaps	296,083	672,029
Financial assets at amortised cost		
Cash and deposits	72,312	230,201
Receivables	680,932	46,831
Financial liabilities at amortised cost		
Payables	1,072,231	1,782,757
Bank loans	31,950,000	31,550,000

16. OPERATING LEASE COMMITMENTS

	30-Jun-23 $	30-Jun-22 $
The following future minimum rentals receivable as a lessor existed at year end:		
Less than 1 year	4,115,603	3,508,733
Between 1 - 5 years	9,591,434	8,962,864
Over 5 years	7,625,177	4,426,904
	21,332,214	**16,898,501**

The Company 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. As a shareholder in this entity, the Company, during the year ended 30 June 2023, received dividends amounting to $8,420,095 (2022: $9,512,743) together with full imputation credits.

Notes to the Consolidated Financial Statements

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 shareholders 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 $3,542,605 (2022: $3,819,651).

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 Company have been identified as key management personnel by virtue of their authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly. Total compensation for key management personnel amounted to $1,604,895 (2022: $1,144,872) comprising directors' fees $565,484 (2022: $283,500), salaries $823,021 (2022: $642,721), termination settlements $50,859 (2022: $90,053), management bonuses $87,602 (2022: $53,965) and associated benefits $77,929 (2022: $74,633).

Notes to the Consolidated Financial Statements

	30-Jun-23 $	30-Jun-22 $
17.1 Related party receivables		
Marsden Cove Canal Management Ltd	603	213
	603	**213**
17.2 Northport Ltd		
Services provided by Marsden Maritime Holdings Ltd	24,887	32,294
Leases provided by Marsden Maritime Holdings Ltd	357,043	357,043
Services provided to Marsden Maritime Holdings Ltd	77,384	52,179
Services provided to North Tugz Ltd	997,233	258,251
Services provided to Northland Regional Council	60,000	64,000
17.3 North Tugz		
Services provided to Northland Regional Council	15,245	2,000
Services provided to Northport Ltd	5,140,046	6,038,358
17.4 Northland Regional Council		
Services provided to Marsden Maritime Holdings Ltd	68,717	69,090
Services provided to Northport Ltd	299,887	267,627
17.5 Marsden Cove Canals Management Ltd		
Levies charged to Marsden Maritime Holdings Ltd	108,509	129,917
Services provided by Marsden Maritime Holdings Ltd	1,987	15,742
17.6 Directors of Marsden Maritime Holdings Ltd		
Services provided to Marsden Maritime Holdings Ltd	565,484	283,500
Services provided to Northport Ltd	126,665	87,500

18. CONTINGENT LIABILITIES

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

To the Bank of New Zealand for a $75,000 (June 2022: $75,000) Bond in favour of the New Zealand Stock Exchange.

19. CAPITAL COMMITMENTS

Commitments for capital expenditure at 30 June 2023 amounted to $10,000,000 relating to the purchase of land under the proposed Oruku Landing conference and multi-events centre, subject to confirmation of Government funding for the project to proceed (2022: $263,261 which relates to the construction of a bulk storage warehouse). Capital expenditure commitments in respect of the Company's Joint Venture interests as at 30 June 2023 totalled $750,000. (2022: $438,800).

20. SUBSEQUENT EVENTS

Joint Venture company Northport Ltd declared a fully imputed ordinary dividend of $4,623,519 to be paid in two instalments, $3,000,000 on 31 August 2023 and $1,623,519 on 29 September 2023.

Refer to Note 12.3 for details of the Company Board of Directors dividend declaration subsequent to balance date.

Auditor's Report

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, Brent Penrose, 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 27 to 54, that comprise the consolidated balance sheet as at 30 June 2023, 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 balance sheet of the Group as at 30 June 2023, 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 consolidated financial statements. The

Auditor's Report

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.

Valuation of Investment Property and Land

Why significant	How our audit addressed the key audit matter
The valuations of land and investment properties, carried at \$16.2m and \$110.4m 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 third party registered valuers to determine the fair value of these assets at 30 June 2023. 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: ► understood, through discussion with management, changes in the properties, work performed in relation to them and changes to the related lease agreements ► understood the valuation process which involved identifying management controls over the process; ► evaluated the competence, capabilities and objectivity of the external valuer; ► considered the instructions provided to the valuer; ► compared the key valuation assumptions used and the assessed values of land and investment property to the previous year's equivalent assumptions and amounts to determine the principal reasons for changes in assessed values; ► agreed a sample of new leases from the tenancy schedule to supporting lease agreements; ► involved our real estate valuation specialists to assess the valuations, valuation methodology and appropriateness of assumptions against market evidence; ► considered the nature of amounts capitalised in the year in relation to land improvements and investment properties, their treatment in the consolidated financial statements and their impact on the valuation; and ► assessed the adequacy of the consolidated 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 consolidated financial statements as a whole.

Information other than the consolidated financial statements and auditor's report

The Board of Directors is responsible on behalf of the Group for the annual report, which includes information other than the consolidated financial statements and our auditor's report which is expected to be made available to us after the date of this auditor's report.

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Auditor's Report

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, 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 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and, if uncorrected, to take appropriate action to bring the matter to the attention of users for whom our auditor's report was prepared.

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.

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Auditor's Report

- 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.

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.

BR Penrose

Brent Penrose
Ernst & Young
On behalf of the Auditor-General
Auckland, New Zealand
24 August 2023

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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 – 17 June 2022 version (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 2023, 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 24 August 2023.

Principle 1 – Code of Ethical Behaviour

Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.

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 capital expenditure; identifying and mitigating risks; monitoring operational and financial performance and reporting systems; determining dividends; appointing and removing the Chief Executive; and reviewing

Corporate Governance Statement

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 2023 the Board comprised six independent non-executive directors. A profile of each director is included in this Report.

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

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 2023:

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	Chair Remuneration Com. Independent Director	Apr 2018	Nov 2021	-
Kirsten Andrews	Independent Director	Nov 2020	-	-
Benoît Marcenac	Independent Director	Oct 2019	Nov 2022	
Rabin Rabindran	Independent Director	Oct 2019	-	Nov 2022
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.

Corporate Governance Statement

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

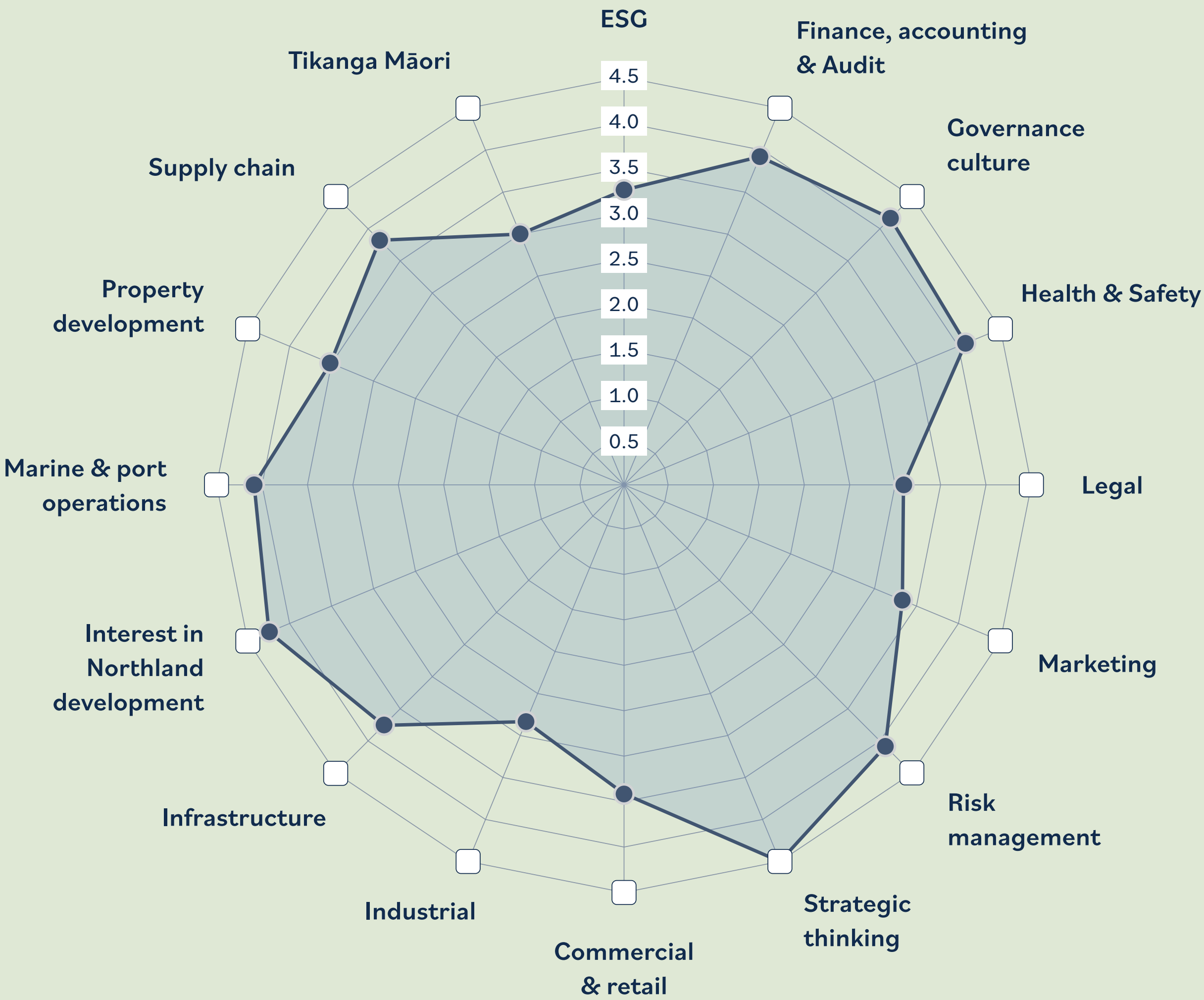
	2023		2022	
	Number	**%**	**Number**	**%**
Directors				
Female	1	17	1	14
Male	5	83	6	86
Management				
Female	2	40	1	25
Male	3	60	3	75
Total employees				
Female	4	27	5	38
Male	11	73	8	62

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

Skills Matrix

The Board evaluation undertaken in the first half of 2023 outlined a strong collective skillset, as per the capability graph below.



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 five standing committees, being the Audit and Risk Committee, the Remuneration Committee, Port Ecosystem and Land Oversight 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 in the Annual 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 2023 the Committee comprised three Directors: Hamish Stevens (Chair), Mark Bogle and Kirsten Andrews. All members are independent directors and all are 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 Head of Finance 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 2023 the Committee comprised Tony Gibson (Chair), Murray Jagger and Hamish Stevens.

Port Ecosystem and Land Oversight Committee

The Committee provides guidance in the Company's land and ecosystem development in coordination with Northport Ltd, so that the growth strategies of both Marsden Maritime Holdings Ltd and Northport Ltd are aligned. Mana whenua attend selected meetings by invitation. The Committee also provides guidance in the Company's other land ecosystem development outside of Northport Ltd. As at 30 June 2023 the Committee comprised Benoît Marcenac (Chair), Murray Jagger and Kirsten Andrews.

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 2023 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.

Corporate Governance Statement

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.

Board and Committee Meeting Attendance

The full Board met nine times between 1 July 2022 and 30 June 2023.

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	9	9	9	9
Kirsten Andrews	8	9	8	9
Mark Bogle	8	9	8	9
Tony Gibson	8	9	8	9
Benoît Marcenac	9	9	9	9
Rabin Rabindran	3	4	8	8
Hamish Stevens	9	9	9	9

	Audit & Risk Committee		Remuneration Committee	
	Attended	Entitled	Attended	Entitled
Murray Jagger	4	4	2	2
Kirsten Andrews	3	3	-	-
Mark Bogle	4	4	–	–
Tony Gibson	–	-	2	2
Benoît Marcenac	–	-	–	–
Rabin Rabindran	1	1	–	–
Hamish Stevens	4	4	2	2

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 executives 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, recognizing the time and risk 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 2023 are shown in the Statutory Information section on page 23 of this report.

Corporate Governance Statement

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 of $60,000 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:

	2023	2022
Salary	300,000	169,179
Other Benefits	35,680	15,836
Short Term Incentive		29,673
Termination Settlement		90,053
	335,680	**304,741**

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

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.

Corporate Governance Statement

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 2023 was Brent Penrose of EY on behalf of the Auditor – General. Mr Penrose commenced the role of auditor following the completion of Mr Lloyd Bunyan's five year term.

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 the 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.

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 2023

		No. of Shares	Percentage
1.	Northland Regional Council	22,142,907	53.61%
2.	Ports of Auckland Limited	8,218,829	19.90%
3.	MFL Mutual Fund Limited – a/c NZCSD	977,102	2.37%
4.	National Nominees Limited – a/c NZCSD	903,221	2.19%
5.	Accident Compensation Corporation – a/c NZCSD	696,357	1.69%
6.	HSBC Nominees (New Zealand) Limited – a/c NZCSD	686 468	1.66%
7.	M A Janssen Limited	430,833	1.04%
8.	Custodial Services Limited	302,910	0.73%
9.	JBWere (NZ) Nominees Limited	244,686	0.59%
10.	Citibank Nominees (NZ) Limited – a/c NZCSD	225,023	0.54%
11.	Fraser Bloomfield Hardie and Pamela Joan Hardie and Sharon Mary Dower and Christine Pamela Hardie	205,000	0.50%
12.	New Zealand Depository Nominee Limited	171,604	0.42%
13	Neil Stuart Campbell	167,500	0.41%
14	Kennedy Westland Garland and Christopher Gary Deane	150,241	0.36%
15.	Francis Lewis David Warren and Avril Pamela Warren	136,030	0.33%
16	Bryan Douglas Robertson and Susan Lynette Robertson	121,500	0.29%
17	Jonathan Brian Michell	120,000	0.29%
18	Christopher Robert Malcolm and Helen Ann Malcolm	100,000	0.24%
19.	Howard Cedric Zingel	97,928	0.24%
20.	Hobson Wealth Custodian Limited	96,725	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	423	31.57%	167,451	0.40%
1,000 – 4,999	622	46.42%	1,347,982	3.26%
5,000 – 9,999	139	10.37%	887,369	2.15%
10,000 to 99,999	138	10.30%	2,897,638	7.02%
100,000 and over	18	1.34%	36,000,211	87.17%
	1340	**100.00%**	**41,300,651**	**100.00%**

Domicile	Number of Shareholders		Shares Held	
Northland	400	29.85%	24,301,821	58.85%
Auckland	472	35.22%	13,292,190	32.18%
Balance of New Zealand	430	32.09%	3,243,351	7.85%
Overseas	38	2.84%	463,289	1.12%
	1340	**100.00%**	**41,300,651**	**100.00%**

Directory

Registered Office

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

Auditor

Brent Penrose 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
Hamish Stevens

Management

Rosie Mercer
Chief Executive
Telephone 027 316 6999

Vidura Galpoththage
Head of Finance
Telephone 021 0272 5450

Karri Williams
Property and Corporate Services Manager
Telephone 021 920 499

Stephen Gibson
Business Development Manager
Telephone 021 211 6255

Marc Forrester
Manager Project Manager
Telephone 021 569 397

Joint Venture

Northport Ltd
P O 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