



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

With over 150 hectares of prime commercial property available immediately behind Northland's deep water port and transport infrastructure, Marsden Maritime Holdings is 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 our strategy and financial information for the year ended 30 June 2021, introduces our Environmental, Social and Governance (ESG) framework and progress against it, as well as updates on our master planning, which is nearing completion.

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

## Financial Calendar

### **Annual Meeting**

The Annual Meeting of shareholders of Marsden Maritime Holdings Ltd will be held at Marsden Cove Marina on 4 November at 2:00pm.

### **2022 Interim Profit Announcement**

February 2022

### **Interim Dividend Payment**

March 2022

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Key Highlights



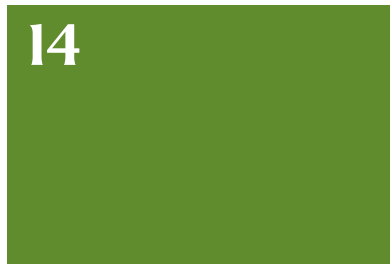
Executive Review



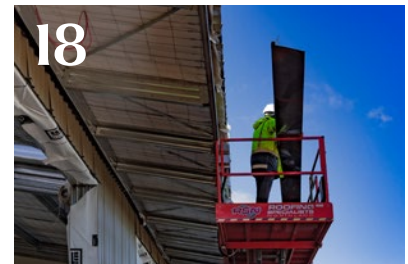
Strategy



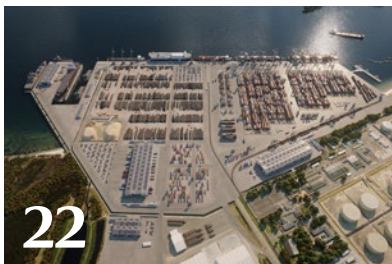
Sustainability Overview



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## Key Highlights

## Financial



### \$14.3m

Net profit after tax, up 113.4% from the same period last year

### \$9.5m

Record earnings from joint venture interest in Northport Ltd, up 8.1% from \$8.8m last year

### 14.6%

Increase in revenue from the Group's property and marina operations to \$7.2m, up \$0.9m from \$6.3m last year

### \$3.7m

Growth in valuation of investment property

### \$12.8m

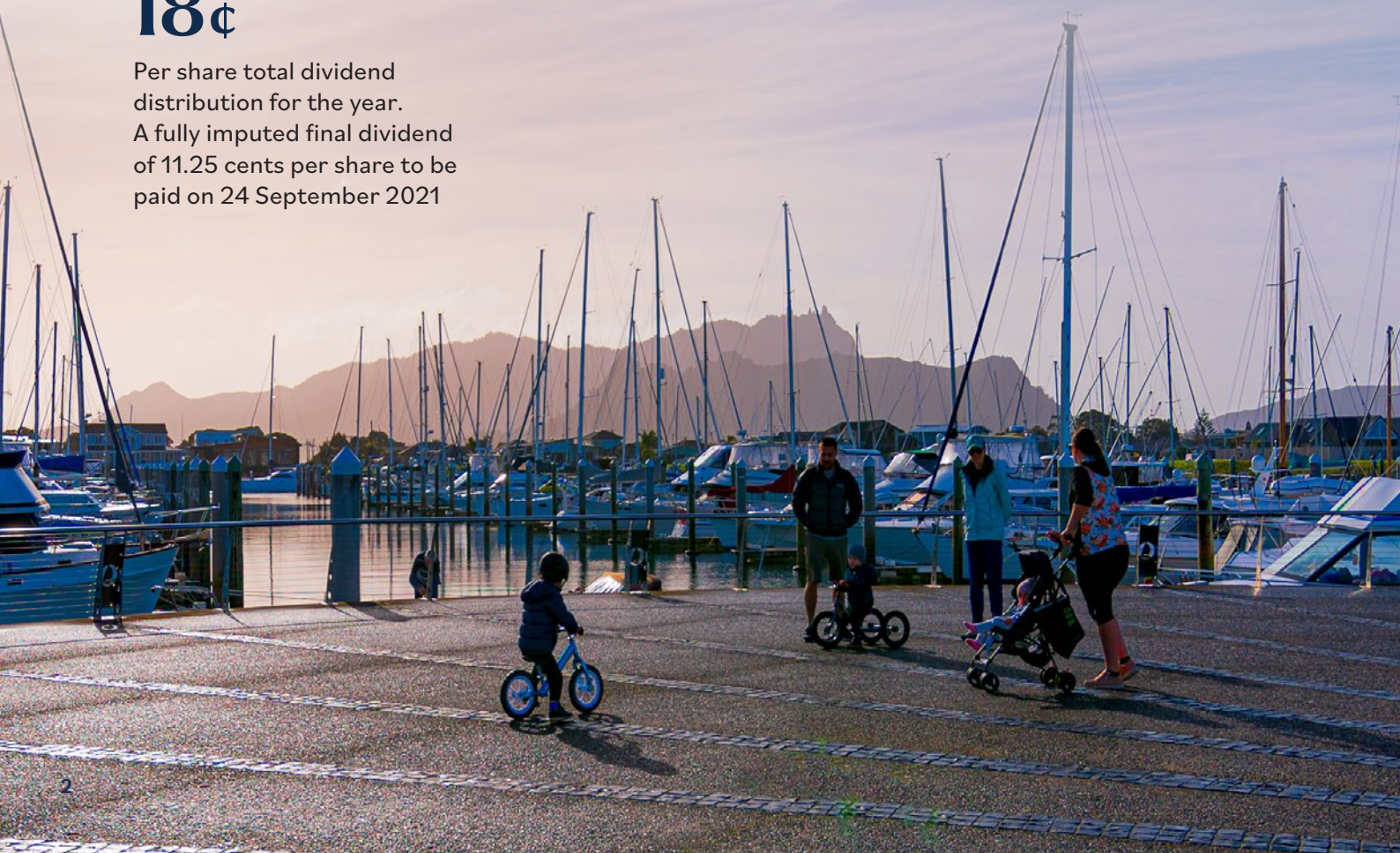
Value of development work undertaken on site during the period

### \$14.7m

Directly invested into local economy

### 18¢

Per share total dividend distribution for the year. A fully imputed final dividend of 11.25 cents per share to be paid on 24 September 2021



# Operational



## 4

Significant construction projects completed

## 3,546,744 t

Bulk cargo throughput at Northport, up 18% from 2,998,070 tonnes in the previous year

Northport firmly part of the national discussion on the future of the Upper North Island's supply-chain

## 2,836,602 t

Log exports, accounting for 80% of volume in the current financial year, up from 75 percent in 2020

## 13,451 TEU

Annual container volumes, up 9% on 12,314 TEU in the same period last year

Master-planning nearing completion

**Designs complete** for the extension of the private road linking Marsden Maritime Holdings land with the port

## 80%

Record berth occupation at Marsden Cove Marina.

**Built 7 new berths.** There are now 236 berths at the marina

**ESG framework adopted** in June 2020

## 200+

Employees associated with tenants' business



# Executive Review



Murray Jagger



Felix Richter

## The 2021 financial year has seen Marsden Maritime Holdings achieve significant progress against its strategy and deliver a record result.

Over the past 12 months Marsden Maritime Holdings has completed four significant construction projects and seen solid growth in the commercial property, marina and marine services business units. It has delivered convincingly against its long-term business strategy with developments that support the growth of Northport, reinforce Marsden Point's reputation as a marine services hub, grow the local economy more generally, and assist with the transformation of the wider Northland economy.

The company's master-planning exercise is nearing completion. This will ensure that development is located where it can best meet these four strategic objectives, and an optimal mix of commercial and industrial activity to ensure sustained long-term returns.

### Financial

For the year ended 30 June 2021 Marsden Maritime Holdings recorded a net profit after tax of \$14.260 million more than doubling the previous year's result of \$6.681 million. Earnings from its joint venture interest in Northport Ltd were a record \$9.525 million (2020 - \$8.808 million) on the back of strong cargo volumes. Revenue from the Group's property and marina operations were up 14.6% (\$0.918 million) on last year.

The company has seen a \$3.655 million increase in the valuation of its investment property, most of which it views as a reversal of last year's COVID-related \$2.968 million write-down and reflective of strong demand for commercial and industrial property.

The company's underlying earnings (excluding revaluation of investment property and fair value movements as shown in the statement of profit or loss) grew by 9.7% to \$10.6 million (2020 - \$9.7m).

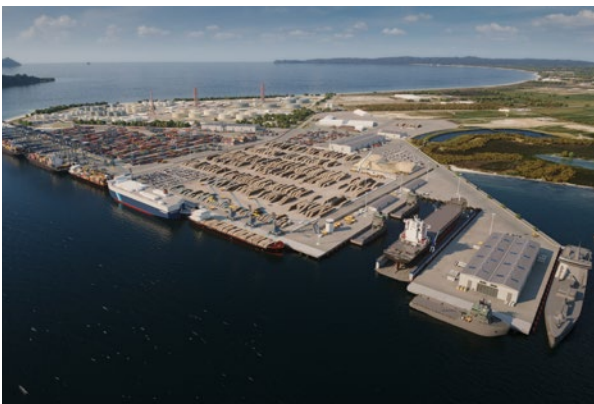
### Cargo Volumes

Bulk cargo throughput at Northport grew by 18.3% to 3,546,744 tonnes (2020 - 2,998,070 tonnes). Log exports of 2,836,602 tonnes (2020 - 2,250,002 tonnes) accounted for 80% of volume in the current financial year, up from 75% in 2021. Annual container volumes were up 9.2% on the previous financial year with 13,451 TEU (2020 - 12,314 TEU) handled.

**For 2021 Marsden Maritime Holdings recorded a net profit after tax of \$14.3m – more than doubling the previous year's result.**

## Business Ecosystems

Marsden Maritime Holdings' strategy framework, developed last year, identified four business ecosystems that comprise its core business:



### Port ecosystem

Supporting the growth of Northport

Continuing congestion at New Zealand's major ports and the associated disruption of supply-chains around the country have given Northport the opportunity to demonstrate its ability to handle large volumes of container traffic, as well as the role it might play in a resilient, geographically-astute three-port supply chain strategy for the Upper North Island. Marsden Maritime Holdings has made available to Northport some of its port-adjacent land as additional lay-down area so that the port might more efficiently handle the large volumes of containers arising from unexpected container-ship calls.

The company continues to see strong interest from potential tenants who will benefit from proximity to the port and is building a 4,800m<sup>2</sup> bulk storage facility to accommodate the specific needs of one importer whose operation has grown significantly.

Designs for the extension of the private road linking Marsden Maritime Holdings land with the port have been completed. This will provide access to the port from the balance of the company's land. Tenders for construction will be issued once any one of several development prospects on Block B is confirmed.



### Marine ecosystem

Reinforcing Marsden Point's reputation as a marine services hub

Berth occupation at Marsden Cove Marina is higher than ever before. Marsden Maritime Holdings built seven new berths over the reporting period and three have already been sold under licence. There are now 236 berths at the marina.

The company's boatyard has enjoyed a high degree of use over the past year, far greater than expectations when the decision was taken to expand the hardstand area by a hectare.



## National interest in potential expansion of Northport, and the role it might play in an integrated, three-port supply-chain strategy, is driving interest in this area.



### Commercial ecosystem

Growing the local economy more generally

The company continues to see high levels of interest among commercial entities in relocating to Marsden Point. It has completed three significant commercial property construction projects over the reporting period; two business centres and a building to accommodate offices and a 4 Square supermarket franchise. The upper level of the two-storey supermarket building is already 50 percent tenanted and the supermarket is due to open in November.

Kiteotara Business Centre will ultimately comprise 24 x150m<sup>2</sup> commercial units in two buildings. Stage One is complete and 11 of 12 units are occupied. Construction of Stage Two is underway with completion expected in the first half of 2022. Two of the Stage Two units are already leased.

The Kitewhara Business Centre provides 4x600m<sup>2</sup> units suitable for retail, commercial and light manufacturing businesses. It was completed in September 2021 and three units are already leased.

Construction of roading and roading infrastructure continues in support of these developments.

### Industrial ecosystem

Assisting with the transformation of the wider Northland economy

The company continues to develop its masterplan to accommodate industrial tenants seeking access to land and, or, port access. Discussions with potential tenants are ongoing, both directly and through intermediaries. National interest in potential expansion of Northport, and the role it might play in an integrated, three-port supply-chain strategy.



**Kirsten Andrews**

### New Director

Our succession programme saw us welcome Ms Kirsten Andrews to the Board in November 2020. Kirsten has more than 25 years of relevant property industry experience ranging from development and strategy through to asset and transaction management across many facets of property including retail, residential and commercial property.

### Environmental, Social and Governance (ESG) Framework

Marsden Maritime Holdings continues to focus on implementing a comprehensive approach to environmental, social and governance matters. The Company’s ESG framework was adopted in June 2020 and is aligned with the United Nations’ Sustainable Development Goals. Implementation, which started in this reporting period, will enable it to realise the Board’s expectations around environmental sustainability, social licence and excellence in governance in every aspect of operations. You will find more information to our approach on pages 10 to 13 of this report.

The company has adopted a three-stage approach to fulfilling its Task Force on Climate-Related Financial Disclosures (TCFD) obligations. It is currently at stage one which involves gathering information and scoping phase on its existing reporting capabilities and future requirements. Stage two involves developing a more in-depth analysis of climate change impacts on the company’s operations, and defining key metrics with stage 3 bringing these insights together into a reporting plan comprising specific commitments against which the Board and the leadership team will be measured.

### Dividend

Marsden Maritime Holdings will pay a fully imputed final dividend of 11.25 cents per share on 24 September 2021. This will bring the total dividend distribution for the year to 18 cents per share (2020 – 16 cents per share).

### Outlook

The company’s ‘ecosystem’-based business strategy will continue to provide direction and focus for growth, and ensure that land holdings are optimised for best long-term results. The next step in our strategic roadmap is to complete a capital structure review. Preliminary work has been undertaken and shareholders will be updated as soon as recommendations are finalised.

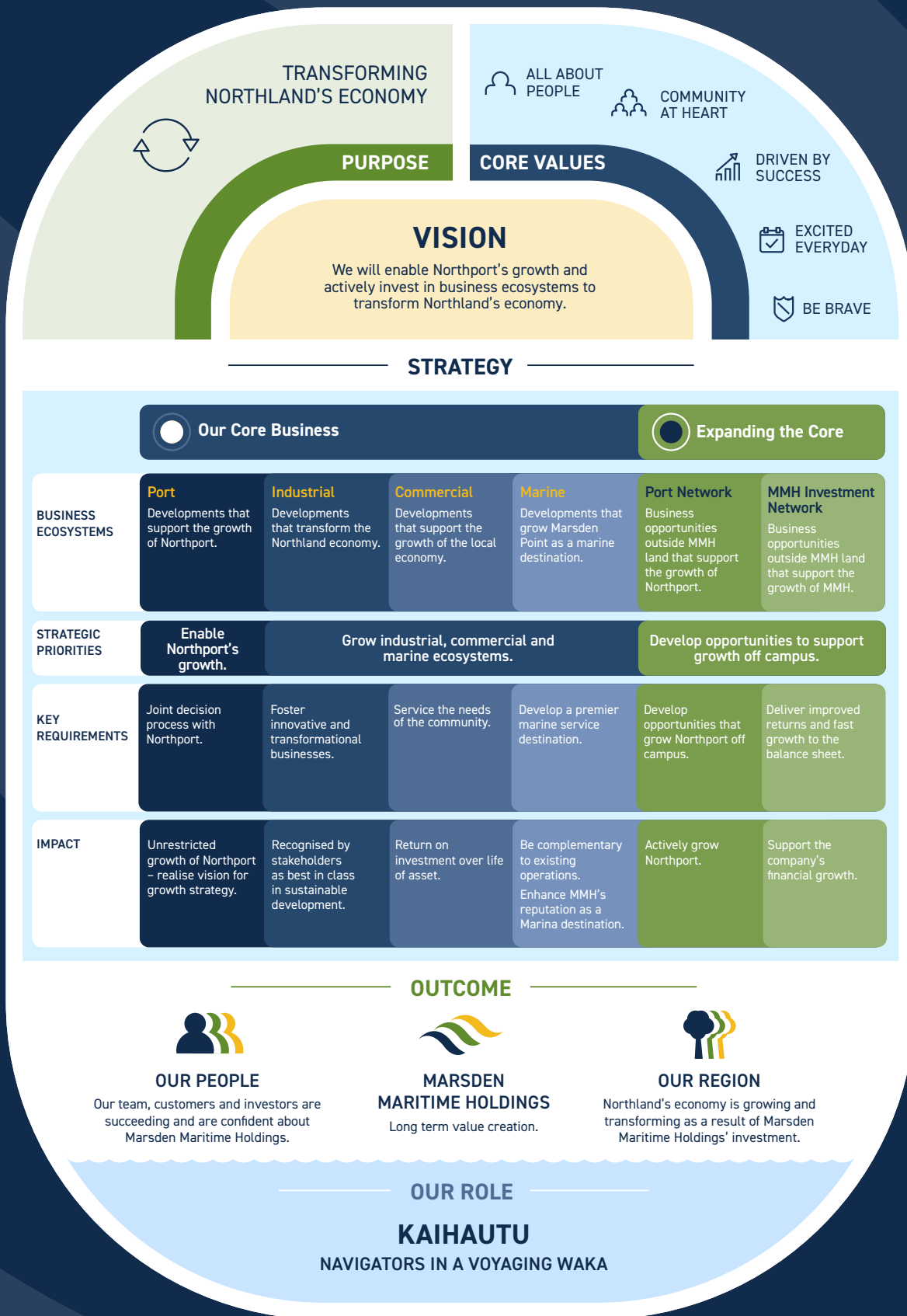
We will continue to focus on driving growth in our non-port areas of activity, investing in the infrastructure that will both enable and encourage organisations interested in relocating to Marsden Point to do so. Our drive to diversify is delivering results and we remain well placed to take advantage of increased interest in Marsden Point among exporters and manufacturers currently based in Auckland.

On a regional level the signs of economic growth are equally encouraging. Northport remains firmly part of the national discussion around the future of the Upper North Island’s supply-chain. This, and the role the port might play in the development of a shipyard and dry-dock that would contribute significantly to the emergence of a specialist marine construction hub locally, continues to drive interest in commercial opportunities that we might help to unlock.

**Murray Jagger**  
Chairman

**Felix Richter**  
Chief Executive

# Strategy



# Sustainability Overview



Marsden Maritime Holdings exists to transform Northland’s economy. As a listed company, we understand the role we play to deliver for our shareholders through sustained returns while also fulfilling our responsibilities to care for our community and the environment.

Following the adoption of our Environment, Social and Governance (ESG) framework in June 2020 we have focused our efforts on making tangible progress on its implementation. While we continue on our journey to achieve our ESG ambitions, we are committed to being honest and transparent in communicating our progress.

In early 2020 material ESG issues for MMH were identified through workshops with our management team and through surveying the views of our external stakeholders, including tenants, contractors, community organisations and investors. The key issues identified as having a material impact (environmentally, socially, or economically) or a substantive influence, on our business and our stakeholders’ decisions were identified as:

- Health, safety and wellbeing
- Regional development
- Responsible land use
- Responsible landlord
- Water quality
- Bio security
- Community engagement

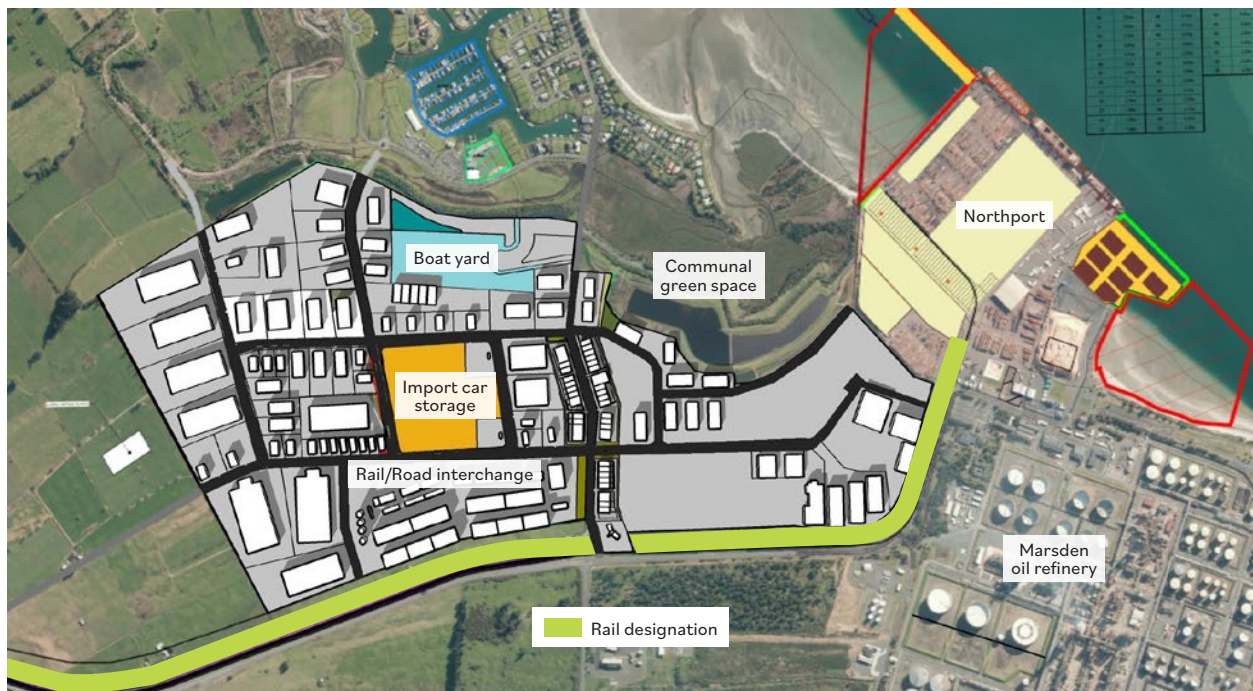
This year for the first time we have included how our progress executing our ESG strategies has contributed to meeting the aspirations outlined in the United Nations Sustainable Development Goals<sup>1</sup>.

## ESG Performance

Material Issues	Strategies	Recent Progress	UN Sustainable Development Goals
<p><b>Health, safety, and wellbeing</b></p> <p>We are committed to a zero-harm philosophy. Marsden Maritime considers the health and safety of its staff, contractors, clients and visitors to its facilities to be of utmost importance.</p>	<p>Create and maintain a working environment that is safe from the hazards and risks arising from work and environment.</p>	<p>Established quarterly meetings with industrial tenants to discuss health and safety matters.</p> <p>Undertook an external review of the Company’s health and safety system.</p> <p>Implemented an online induction process for contractors working at the boatyard and marina.</p> <p>First aid course attended by all staff.</p>	 
<p><b>Regional Development</b></p> <p>We will enable Northport’s growth and actively invest in business ecosystems to transform Northland’s economy.</p>	<p>Instigate and manage sustainable growth for each defined ecosystem.</p> <p>Reserve land to allow for the growth of Northport.</p> <p>Provide commercial developments that attract businesses that will serve the local community.</p>	<p>Developed a detailed land use plan (“masterplan”) that is aligned with defined ecosystems.</p> <p>Achieved consistency between land use plan and the Whangarei District Council’s long-term plan.</p> <p>Completed the construction of the marina supermarket along with 5,000m<sup>2</sup> of light commercial/ office space to cater to local businesses development.</p>	  

1. <https://www.un.org/sustainabledevelopment/>

Material Issues	Strategies	Recent Progress	UN Sustainable Development Goals
<p><b>Responsible Land Use</b></p> <p>We take a long-term view when planning the development and use of our land.</p>	<p>Development that is long term focused and environmentally sound.</p> <p>Ensure developments fit with the community’s expectations and are visually appealing.</p>	<p>Established a central repository of all resource consents and monitoring requirements.</p> <p>Developed the land use plan (masterplan).</p> <p>Included aesthetic upgrades for recently constructed commercial buildings.</p> <p>Entered relationship agreement with Patuharakeke to provide opportunities for input into land development plans.</p>	
<p><b>Responsible Landlord</b></p> <p>We have a duty to act as a responsible and respectful landlord, developer, employer, listed company, asset owner and neighbour.</p>	<p>Initiate quality engagement with our tenants through communication, timely action, health and safety, and asset management.</p>	<p>Established quarterly meetings with industrial tenants to discuss health and safety matters.</p> <p>Implemented a consultation process with tenants when they were to be affected by Company decisions.</p> <p>Responded to tenants’ requests and issues in a timely manner.</p>	
<p><b>Water Quality</b></p> <p>We are committed to protecting the quality of water involved in its activities on land, the foreshore and in the Marsden Cove Marina.</p>	<p>Protect the marina and ocean environments from pollutants from land holdings.</p>	<p>Conducted regular stormwater and marina monitoring as required by the resource consents for stormwater management and marina water quality.</p>	
<p><b>Bio Security</b></p> <p>We take our responsibility as a designated Arrivals &amp; Departures Port seriously. We are a first line of defence, with Marsden Cove Marina helping the Customs Service and Ministry for Primary Industries to protect the integrity of New Zealand’s borders.</p>	<p>Avoid or minimise pest incursions to protect native biodiversity.</p>	<p>Completed a Marina Biosecurity Management Plan.</p> <p>Provided part funding to research methodologies for the reduction of fanworm in the Whangarei Harbour.</p> <p>Commenced work towards achieving clean marina accreditation from the Marina Operators Association of New Zealand.</p>	
<p><b>Community Engagement</b></p> <p>We aim to manage our business in a way that will produce positive outcomes for all stakeholders including customers, employees, shareholders, suppliers and the public.</p>	<p>Understanding our stakeholder community’s needs and expectations.</p> <p>Invest in economic growth for Northland.</p>	<p>Donated \$2,100 to community groups and events this year.</p> <p>Delivered 4 new commercial developments that cater to needs of the local community.</p>	



## Masterplan

We take a long-term view when planning the development of our land. Over the past 12 months, our masterplan has continued to be a strategic priority for Marsden Maritime Holdings. We are excited to present this plan to you as it is now nearing completion.

Once complete, the masterplan will categorise areas of undeveloped land into distinct ecosystems.

This will enable us to take a structured and consistent approach in determining where various industries will be situated and will allow land to be protected for the growth of Northport, while making other areas available for rapid investment and development.

As a significant landowner at Marsden Point, we are proud to be a key contributor to the area and the region's economic development. Throughout the master planning process, we considered the impact on the environment and community and consulted with local iwi. We believe the completed masterplan provides a robust blueprint that will guide Marsden Maritimes future activities whilst also contributing positively to achieving sustainable environmental, social and economic benefits.

# Board of Directors



## Murray Jagger

**Chairman Marsden Maritime Holdings Ltd**  
**Member Remuneration Committee**  
**Chair Board Nominations Committee**  
**Chairman Northport Ltd**

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



## Kirsten Andrews

**Director Marsden Maritime Holdings Ltd**  
**Member Port Ecosystem and Land Oversight Committee**

Ms Andrews has over 25 years experience in the property industry ranging from property development and strategy through to asset and transaction management. Kirsten's property acumen has been built off the back of ten years with St Lukes Group/Westfield where she held a range of roles including Shopping Centre Manager and Development Manager, and five years at Westpac where she held the roles of Senior Property Manager and seconded into the National Manager of Property role responsible for the Corporate Real Estate team, property strategy and stakeholder outcomes within Westpac. She has also held senior roles in property development including Ngai Tahu Property where she was responsible for 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.





## Mark Bogle

**Director Marsden Maritime Holdings Ltd**  
**Member Audit and Risk Committee**  
**Director Marsden Cove Canals Management Ltd**

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



## Tony Gibson

**Director Marsden Maritime Holdings Ltd**  
**Chair Remuneration Committee**

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



## Benoit Marcenac

**Director Marsden Maritime Holdings Ltd**  
**Chair Port Ecosystem and Land**  
**Oversight Committee**

Benoit has 30 years experience in the logistics, agri-food processing and trading sectors, through a number of executive positions held in Europe, the Middle-East, Africa, the Indian Ocean and South Pacific regions. In 2002, the Marcenac family settled in New Zealand and made it their new homeland. For close to 17 years, Benoit has been the Managing Director and shareholder of Sofrana Unilines, a leading shipping company operating in the South Pacific. For the last 10 years, the Marcenac family has owned a farm in Northland and more time is being spent there. Currently looking at investment opportunities in New Zealand, Benoit is also a Director of Fresha Export Ltd and an Advisor to the Board of TradeWindow Ltd. Benoit joined the Board in October 2019 and is considered to be an Independent Director.



## Rabin Rabindran

**Director Marsden Maritime Holdings Ltd**  
**Member Audit and Risk Committee**

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



## Hamish Stevens

**Director Marsden Maritime Holdings Ltd**  
**Chair Audit and Risk Committee**  
**Member Remuneration Committee**  
**Director Northport Ltd**

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



# Statutory Information

## Auditors

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

## Directors' Shareholdings

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

	Shares in which the Director has a Beneficial Interest Solely or as a Joint Holder		Shares in which the Director has a Non - Beneficial Interest		Shares held by Associated Persons of the Director	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
K Andrews						
M Bogle	25,000	25,000	-	-	-	-
T Gibson	-	-	-	-	-	-
M Jagger	-	-	-	-	-	-
B Marcenac	-	-	-	-	-	-
R Rabindran	-	-	-	-	-	-
H Stevens	-	-	-	-	-	-
E Trout	-	-	-	-	-	-

There were no share transactions during the period 1 July 2020 to 30 June 2021.

## Directors' Interests

The following are particulars of general disclosures of interest by Directors of Marsden Maritime Holdings Ltd holding office at 30 June 2021 pursuant to section 140(2) and section 211(1)(e) of the Companies Act 1993.

### Mark Bogle

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

### Tony Gibson

Ports of Auckland Ltd	CEO (Resigned 30 June 2021)
North Tugz Ltd	Chairman
AMG Consulting Ltd	Director
Seafuels Ltd	Director
Waikato Freight Hub	Director
ERoad Financial Services Ltd	Director
ERoad Ltd	Director/Shareholder
Nexus Logistics Ltd	Chairman
Conlinxx Ltd	Chairman

### Murray Jagger (Chairman)

Manaia View Farms Ltd	Director
Whangarei Agricultural & Pastoral Society	President (Resigned August 2020)
Northport Ltd	Chairman
North Tugz Ltd	Director

### Benoit Marcenac

Fresha Export Ltd	Director
Sofi Holdings Ltd	Director/Shareholder
Te Hana Consulting Ltd	Director/Shareholder
TradeWindow Ltd	Advisor to the Board

### Rabin Rabindran

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

### Hamish Stevens

The Kennedys Ltd	Chairman
East Health Services Ltd (and subsidiaries)	Chairman
Waikato Regional Council Audit & Risk Committee	Independent Chair (ceased December 2020)
Counties Energy Ltd (and subsidiaries)	Director
Pacific Radiology Group Ltd	Director (ceased 31 May 2021)
Pharmaco Ltd (and subsidiaries)	Chairman
Northport Ltd	Director
Evolve Education Group Ltd	Chairman
Radius Residential Care Ltd	Director (effective December 2020)

### Kirsten Andrews

KIA Property Consulting Limited	Director
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## 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*	\$21,868	
M Bogle	\$33,500	-
T Gibson	\$38,500	-
M Jagger	\$67,500	\$62,500 ***
B Marcenac	\$33,500	-
R Rabindran	\$33,500	-
E Trout**	\$15,109	-
H Stevens	\$39,118	\$25,000
	<b>\$282,595</b>	<b>\$87,500</b>

\* Appointed 5 November 2020

\*\* Retired 5 November 2020

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

## Net Tangible Assets per Security

Net tangible assets per security as at 30 June 2021: \$3.64 (30 June 2020: \$3.32)

## 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	
	2021	2020
\$100,001 - \$110,000	1	2
\$110,001 - \$120,000	1	-
\$130,001 - \$140,000	-	1
\$140,001 - \$150,000	1	-
\$160,001 - \$170,000	1	1
\$240,001 - \$250,000	-	1
\$280,001 - \$290,000	1	-

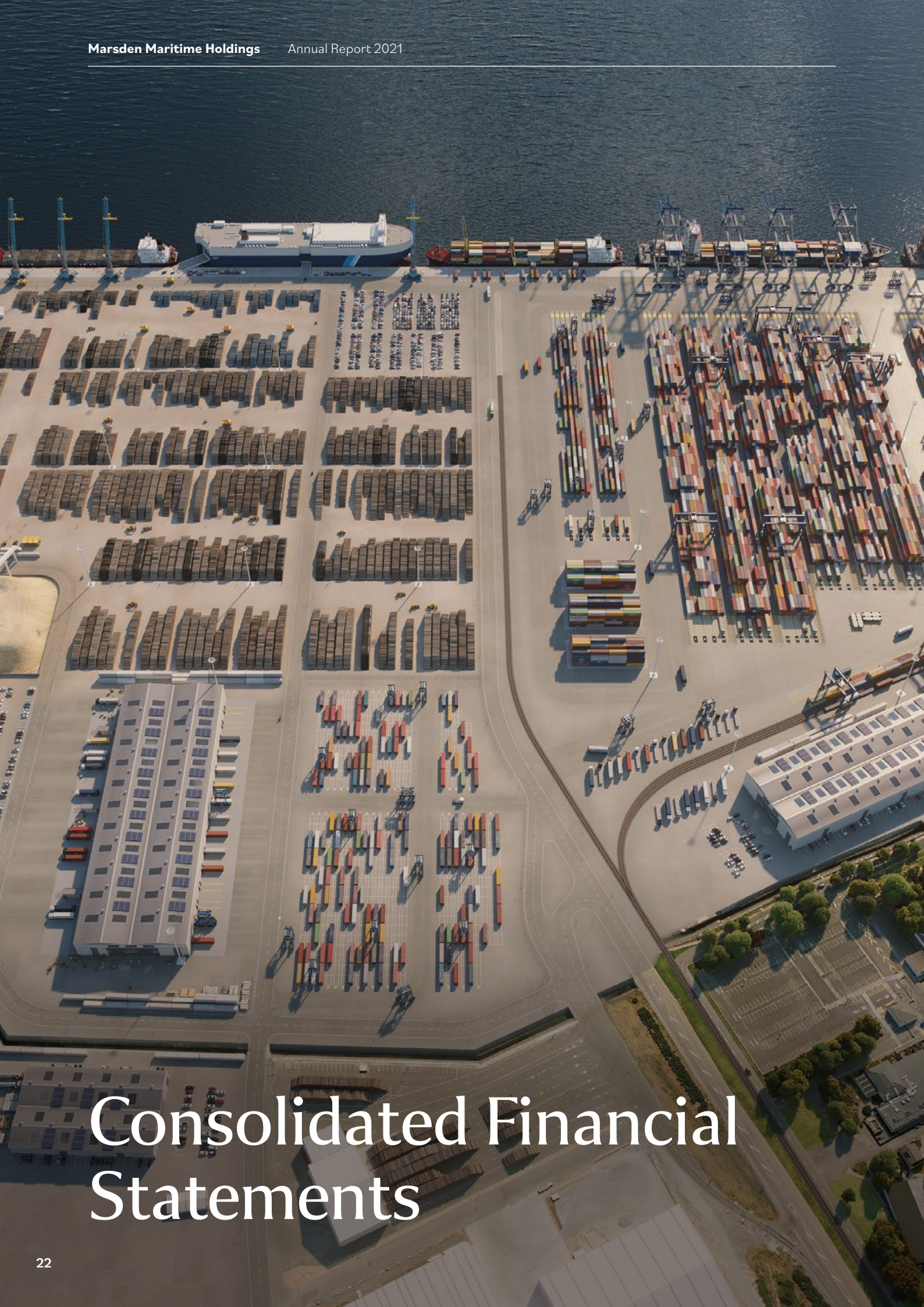


**Murray Jagger**  
Chairman



**Hamish Stevens**  
Director

26 August 2021



# Consolidated Financial Statements



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# Consolidated Statement of Profit or Loss

For the Year Ended 30 June 2021

	Note	30 June 2021 \$	30 June 2020 \$
<b>Income</b>			
Lease revenue		3,152,607	2,896,761
Marina operations		2,237,239	1,759,386
Revenue from goods sold		1,499,707	1,277,878
Other income		333,466	370,879
<b>Operating income</b>		<b>7,223,019</b>	<b>6,304,904</b>
<b>Expenses</b>			
Operating expenses	3.1	(1,627,027)	(1,386,453)
Cost of goods sold		(1,308,712)	(1,128,464)
Land rates and lease expenses	3.2	(415,496)	(440,244)
Administrative expenses	3.3	(1,817,120)	(1,569,576)
Depreciation		(530,218)	(447,824)
Other expenses		-	(19,718)
<b>Operating expenses</b>		<b>(5,698,573)</b>	<b>(4,992,279)</b>
Revaluation of investment property	4	3,654,874	(2,968,013)
Fair value movements	13	2,399	(13,193)
<b>Operating profit/(loss)</b>		<b>5,181,719</b>	<b>(1,668,581)</b>
Finance income		783	3,685
Finance expenses	3.4	(423,846)	(441,083)
<b>Net finance expenses</b>		<b>(423,063)</b>	<b>(437,398)</b>
Share of profit from joint venture	6	9,524,855	8,808,199
<b>Profit before income tax</b>		<b>14,283,511</b>	<b>6,702,220</b>
Income tax benefit/(expense)	12	(23,581)	(21,628)
<b>Net profit after tax</b> (attributable to owners of the company)		<b>14,259,930</b>	<b>6,680,592</b>
Basic and diluted earnings per share (cents)	11.2	34.53	16.18

# Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2021

	Note	30 June 2021 \$	30 June 2020 \$
<b>Net profit after tax</b>		<b>14,259,930</b>	<b>6,680,592</b>
<b>Other comprehensive income</b>			
<i>Items that will be recycled through profit and loss</i>			
Cash flow hedges – gain (loss) taken to reserves (Northport Ltd)		689,104	(258,275)
Income tax relating to items of other comprehensive income (Northport Ltd)		(192,949)	72,317
	<b>6</b>	<b>496,155</b>	<b>(185,958)</b>
<i>Items that will not be recycled through profit and loss</i>			
Movement in asset revaluation reserve net of tax	5	1,224,521	(814,307)
Share of movement in revaluation reserve (Northport Ltd)	6	3,498,508	(327,165)
		<b>4,723,029</b>	<b>(1,141,472)</b>
<b>Total other comprehensive income</b>		<b>5,219,184</b>	<b>(1,327,430)</b>
<b>Total comprehensive income for the period</b> (attributable to owners of the company)		<b>19,479,114</b>	<b>5,353,162</b>

# Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2021

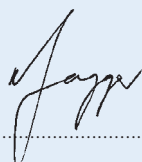
	Share Capital \$	Retained Earnings \$	Asset Revaluation Reserve \$	Hedging Reserve (Joint Venture) \$	Total \$
<b>Balance at 1 July 2020</b>	<b>14,688,144</b>	<b>61,881,374</b>	<b>61,846,821</b>	<b>(1,100,857)</b>	<b>137,315,482</b>
Net profit after tax	-	14,259,930	-	-	14,259,930
Other comprehensive income	-	-	4,723,029	496,155	5,219,184
<b>Total comprehensive income</b>	<b>-</b>	<b>14,259,930</b>	<b>4,723,029</b>	<b>496,155</b>	<b>19,479,114</b>
Dividends to shareholders	-	(6,608,106)	-	-	(6,608,106)
<b>Balance at 30 June 2021</b>	<b>14,688,144</b>	<b>69,533,198</b>	<b>66,569,850</b>	<b>(604,702)</b>	<b>150,186,490</b>
<b>Balance at 1 July 2019</b>	<b>14,688,144</b>	<b>61,808,888</b>	<b>62,988,293</b>	<b>(914,899)</b>	<b>138,570,426</b>
Net profit after tax	-	6,680,592	-	-	6,680,592
Other comprehensive income	-	-	(1,141,472)	(185,958)	(1,327,430)
<b>Total comprehensive income</b>	<b>-</b>	<b>6,680,592</b>	<b>(1,141,472)</b>	<b>(185,958)</b>	<b>5,353,162</b>
Dividends to shareholders	-	(6,608,106)	-	-	(6,608,106)
<b>Balance at 30 June 2020</b>	<b>14,688,144</b>	<b>61,881,374</b>	<b>61,846,821</b>	<b>(1,100,857)</b>	<b>137,315,482</b>

# Consolidated Balance Sheet

As at 30 June 2021

	Note	30 June 2021 \$	30 June 2020 \$
<b>Assets</b>			
<b>Non-current assets</b>			
Investment property	4	93,445,450	78,229,012
Property, plant and equipment	5	31,823,561	30,337,630
Investment in joint venture company (Northport Ltd)	6	51,493,721	46,269,310
Other investments	13	450,956	448,557
<b>Total non-current assets</b>		<b>177,213,688</b>	<b>155,284,509</b>
<b>Current assets</b>			
Cash and deposits		153,510	144,503
Receivables and prepayments	7	278,096	309,214
Inventory		93,733	72,302
<b>Total current assets</b>		<b>525,339</b>	<b>526,019</b>
<b>Total assets</b>		<b>177,739,027</b>	<b>155,810,528</b>
<b>Equity</b>			
Share capital	11.1	14,688,144	14,688,144
Retained earnings		69,533,198	61,881,374
Asset revaluation reserve		66,569,850	61,846,821
Hedging reserve (Northport Ltd)		(604,702)	(1,100,857)
<b>Total equity</b>		<b>150,186,490</b>	<b>137,315,482</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Bank loans – non current portion	9	13,950,000	16,550,000
Revenue in advance	10	1,747,390	867,491
<b>Total non-current liabilities</b>		<b>15,697,390</b>	<b>17,417,491</b>
<b>Current liabilities</b>			
Payables	8	1,855,147	1,077,555
Bank loans – current portion	9	10,000,000	-
<b>Total current liabilities</b>		<b>11,855,147</b>	<b>1,077,555</b>
<b>Total liabilities</b>		<b>27,552,537</b>	<b>18,495,046</b>
<b>Total equity and liabilities</b>		<b>177,739,027</b>	<b>155,810,528</b>

For and on behalf of the board of directors who authorised the issue of this financial report on 26 August 2021.



Chairman



Director

# Consolidated Statement of Cash Flows

For the Year Ended 30 June 2021

	Note	30 June 2021 \$	30 June 2020 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		8,188,207	6,605,024
Dividends received		8,307,101	8,745,000
Interest received		783	5,957
Payments made to suppliers and employees		(5,205,845)	(4,222,513)
Interest paid	3.4	(534,894)	(499,362)
Income tax paid		(23,581)	(21,628)
<b>Net cash flow from operating activities</b>		<b>10,731,771</b>	<b>10,612,478</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(1,119,109)	(2,729,208)
Purchase of and improvements to investment property		(10,395,549)	(5,836,983)
<b>Net cash flow from investing activities</b>		<b>(11,514,658)</b>	<b>(8,566,191)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		7,400,000	4,400,000
Payment of dividends	11.3	(6,608,106)	(6,608,106)
<b>Net cash flow from financing activities</b>		<b>791,894</b>	<b>(2,208,106)</b>
<b>Net increase/(decrease) in cash held</b>		<b>9,007</b>	<b>(161,819)</b>
<b>Opening cash balance</b>		<b>144,503</b>	<b>306,322</b>
<b>Closing cash balance</b>		<b>153,510</b>	<b>144,503</b>

# Consolidated Operating Cash Flow Reconciliation

For the Year Ended 30 June 2021

	Note	30 June 2021 \$	30 June 2020 \$
<b>Net profit after tax</b>		14,259,930	6,680,592
<b>Non-cash items</b>			
Depreciation expense		530,218	447,824
Gain/(loss) on sale of property, plant and equipment		-	19,718
Revaluation of investment property	4	(3,654,874)	2,968,013
Other fair value movements	13	(2,399)	13,193
Share of profit from joint venture	6	(1,229,748)	(63,199)
		<b>(4,356,803)</b>	<b>3,385,549</b>
<b>Movements in working capital</b>			
Change in receivables and prepayments		31,118	270,681
Change in payables		777,592	(565,148)
Change in inventory		(21,431)	23,169
		<b>787,279</b>	<b>(271,298)</b>
<b>Movement in revenue in advance</b>		<b>879,899</b>	<b>64,956</b>
<b>Non-operating items included in working capital movements above</b>		<b>(838,534)</b>	<b>752,679</b>
<b>Net cash flow from operating activities</b>		<b>10,731,771</b>	<b>10,612,478</b>

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

## 1. General information

### 1.1 Reporting entity

The financial statements are for Marsden Maritime Holdings Limited, a registered port company under the Port Companies Act 1988, (Marsden Maritime or the Company) and the joint venture company Northport Limited (the Group). The Company is incorporated and domiciled in New Zealand, is registered under the Companies Act 1993 and is a FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013. The Company is listed with NZX Limited with its ordinary shares quoted on the NZX Main Board.

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

### 1.2 Basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice (GAAP) and the Financial Markets Conduct Act 2013.

They comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other guidance as issued by the External Reporting Board, as appropriate for profit-oriented entities, and with International Financial Reporting Standards.

The financial statements have been prepared on the going concern basis, although at balance date the Company had negative working capital of \$11,329,808. This primarily arose due to a \$10,000,000 tranche of the Company's funding being due to expire on 31 March 2022, which is within 12 months from balance date and therefore is classified as a current liability. The Company expects to renew this facility for at least another three years in the normal course of business. Given this, and based on the fact the Company has \$7,000,000 of undrawn funding available and is able to pay its debts as they become due in the normal course of business the Directors are satisfied the Company can continue as a going concern.

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

### 1.3 Basis of consolidation

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

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

### 1.4 Critical judgements, estimates and assumptions

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

Asset revaluation	pages 34-37
Estimation of useful lives of assets	page 37
Tax losses	page 43

### 1.5 Accounting policies

The Group has elected to present the previously reported Consolidated Statement of Comprehensive Income as two separate statements, the Consolidated Statement of Profit or Loss and the Consolidated Statement of Consolidated Statement of Comprehensive Income. The aggregation and order of the line items that equate to net profit after tax has also been changed. Whereas previously the share of profit from joint venture was included in revenue it is now displayed below the operating profit/(loss) total. The main purpose of this change was to give greater transparency to the operating profit/(loss) of the Group achieved by its non-port related operations.

No changes to accounting policies have been made during the year, and policies have been consistently applied to all years presented. There were no new standards, interpretations and amendments effective from 1 July 2020 that would have a material impact on the Group.

Significant accounting policies have been included throughout the notes to the financial statements. Other relevant policies are provided as follows:

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

## 1.5 Accounting policies (continued)

### Revenue recognition

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

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

Revenue from Marine Services provided are recognised over the financial periods in which the customer receives the benefit provided by performance of the service. This can be either over the period the service is rendered or upon delivery depending on the marine service provided. Farming and goods sold revenues are recognised when the performance obligation is satisfied at a point in time, generally upon delivery.

### Inventory

Inventory is stated at the lower of cost or net realisable value. The cost of inventories is based on the first-in-first-out principle. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

### Leases

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

#### (i) Group as a lessee

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

#### (iii) Group as a lessor

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

### Fair Value

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

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

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

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

### Financial Instruments

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

#### *Financial Assets at fair value through profit or loss*

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

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

#### *Financial Liabilities*

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

#### *Financial Assets at Amortised Cost*

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



# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

## Impairment of Assets

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

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

## 2. Segment Reporting

An operating segment is a component of an entity that engages in business activity from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker, to make decisions about resources to be allocated

to the segment and assess its performance. The Group has three operating segments and an "Other Activities" category. During the period the Group operated within one geographic segment being the Greater Marsden Point Area.

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

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

All operations are undertaken in New Zealand. Any inter segment transactions are conducted at arms length at market prices. Accounting policies have been consistently applied across all segments.

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

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

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

## 2. Segment Reporting (continued)

	30 June 2020				TOTAL \$
	Port Related Operations \$	Property Holdings \$	Marina and Commercial \$	Other Activities \$	
<b>Revenue</b>					
Rental revenue from external customers	-	2,307,676	264,881	-	2,572,557
Rental revenue from joint venture	-	324,204	-	-	324,204
Other revenue from external customers	-	295,554	3,112,589	-	3,408,143
<b>Total segment revenue</b>	<b>-</b>	<b>2,927,434</b>	<b>3,377,470</b>	<b>-</b>	<b>6,304,904</b>
<b>Other income and expenditure</b>					
Share of profit from joint venture	8,808,199	-	-	-	8,808,199
Revaluation of investment property	-	(3,511,680)	543,667	-	(2,968,013)
Fair value movements	-	-	-	-	-
Finance income	-	-	-	3,685	3,685
Finance expense *	-	-	-	(441,083)	(441,083)
Depreciation expense	-	(50,914)	(332,274)	(84,354)	(467,542)
Other expenses/losses	-	(881,622)	(2,229,271)	(1,427,037)	(4,537,930)
Income tax expense	-	-	-	(21,628)	(21,628)
<b>Total other income and expenditure</b>	<b>8,808,199</b>	<b>(4,444,216)</b>	<b>(2,017,878)</b>	<b>(1,970,417)</b>	<b>375,688</b>
<b>Net profit after tax</b>	<b>8,808,199</b>	<b>(1,516,782)</b>	<b>1,359,592</b>	<b>(1,970,417)</b>	<b>6,680,592</b>
<b>Total segmental assets</b>	<b>46,269,310</b>	<b>86,030,083</b>	<b>22,194,173</b>	<b>1,316,962</b>	<b>155,810,528</b>
<b>Total segmental liabilities</b>	<b>-</b>	<b>278,992</b>	<b>1,274,337</b>	<b>16,941,717</b>	<b>18,495,046</b>
<b>Non-current asset additions</b>					
Property, plant and equipment	-	401,355	2,246,635	11,496	2,659,486
Investment property	-	4,652,944	511,751	-	5,164,695

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

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

	30 June 2021 \$	30 June 2020 \$
<b>3. Expenses</b>		
<b>3.1 Operating Expenses</b>		
Employee related benefits	535,161	394,100
Repairs and maintenance	387,453	321,414
Insurance	250,545	217,432
Electricity	111,737	76,619
Marketing expenses	58,606	75,880
Other operational expenses	283,525	301,008
	<b>1,627,027</b>	<b>1,386,453</b>
<b>3.2 Land rates and lease expenses</b>		
Land rates	400,496	389,388
Lease expenses	15,000	50,856
	<b>415,496</b>	<b>440,244</b>
<b>3.3 Administrative expenses</b>		
Employee related benefits	707,484	603,585
Directors' fees	282,595	264,048
Auditor remuneration – audit fees	90,384	87,032
– other fees *	5,250	5,500
Donations	2,144	761
Share registry expenses	93,842	90,937
Professional fees	311,553	300,486
Other administrative expenses	323,868	217,227
	<b>1,817,120</b>	<b>1,569,576</b>
* This comprises fees associated with tax compliance.		
<b>3.4 Finance expenses</b>		
Interest on debts and borrowings	534,894	499,362
Less capitalised borrowing costs	(111,048)	(58,279)
	<b>423,846</b>	<b>441,083</b>

The average weighted borrowing cost rate for capitalisation to property, plant and equipment, was 2.16% for the current period (2020: 3.40%).

#### Policy

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

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

	30 June 2021 \$	30 June 2020 \$
<b>4. Investment Property</b>		
<b>Opening Carrying Value</b>	<b>78,229,012</b>	<b>76,043,000</b>
<b>Current Year Movements</b>		
Land Development and Improvements	8,041,666	4,329,174
Other/Subsequent Improvements	768,904	36,509
Investment Property in Progress	2,572,315	799,012
Transferred from Property, Plant & Equipment	143,500	-
Movement in Lease Incentives	35,179	(10,670)
Revaluation (recognised in profit and loss)	3,654,874	(2,968,013)
<b>Closing Carrying Value</b>	<b>93,445,450</b>	<b>78,229,012</b>

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

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 2021, by Chris Seagar of Seagar & Partners, an industry specialist in valuing these types of asset. The 'fair value', highest and best use approach has been adopted. The valuation was assessed in accordance with NZ IAS 40 which defines 'fair value' as being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

	Valuation Technique	Unobservable Inputs	30 June 2021 Range	30 June 2020 Range
Land and improvements held for lease	DCF method, income capitalisation and direct comparative approach	Land available for lease value per m <sup>2</sup> *	\$75 - \$110 per m <sup>2</sup>	\$75 - \$110 per m <sup>2</sup>
		Discount rate	7.50-8.50%	9.00%
		Capitalisation rate	6.88%	7.50%
		Exit yield at 10 years	7.50%	7.50%
Marsden Cove Marina	DCF method	Discount rate	9.75%	9.75%
		Long term licence reversion discount factor	90.00%	90.00%
Marsden Cove commercial complex	DCF method	Annual rental cash flow	\$569,000 - \$837,000	\$299,000 - \$354,000
		Exit yield at 10 years	7.25%	7.25%
		Discount rate	8.50%	8.50%

\* Excludes undeveloped land and land designated for a transport corridor which is valued at \$30 to \$100 per m<sup>2</sup> (2020 \$30 to \$100 per m<sup>2</sup>).

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

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

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

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

The Group has recently been made aware of potential issues with the structural integrity of some of the concrete piles at the Marsden Cove Marina. The Group has commissioned an independent inspection of all the marina piles to understand the extent of this issue. The findings of this inspection will be reported to the Directors by November 2021. Depending on the outcome of this work, there may be an impact on the fair value of the marina.

## ***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 Group and the cost of the item can be measured reliably.

Investment properties under construction are carried at cost until it is possible to reliably determine their fair value, from which point they are carried at fair value 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 Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with its property plant and equipment policy up to the date of change in use.

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

	Freehold Land \$	Building and Amenities \$	Plant and Equipment \$	Capital Work Progress \$	Total \$
<b>5. Property, Plant and Equipment</b>					
<b>Cost or valuation</b>					
Balance at 1 July 2019	20,222,933	7,842,075	2,295,619	229,711	30,590,338
Additions	291,260	1,737,343	234,995	395,889	2,659,487
Transferred from capital work in progress	23,047	-	1,237	(24,284)	-
Disposals	-	-	(44,238)	-	(44,238)
Revaluation	(814,307)	-	-	-	(814,307)
<b>Balance at 30 June 2020</b>	<b>19,722,933</b>	<b>9,579,418</b>	<b>2,487,613</b>	<b>601,316</b>	<b>32,391,280</b>
Additions	26,804	196,612	363,158	793,061	1,379,635
Transferred from capital work in progress	51,072	10,084	1,670	(62,826)	-
Transferred to investment property	(143,500)	-	-	(109,769)	(253,269)
Disposals	-	-	(2,462)	(334,738)	(337,200)
Revaluation	1,224,521	-	-	-	1,224,521
<b>Balance at 30 June 2021</b>	<b>20,881,830</b>	<b>9,786,114</b>	<b>2,849,979</b>	<b>887,044</b>	<b>34,404,967</b>
<b>Accumulated Depreciation</b>					
Balance at 1 July 2019	-	(1,022,720)	(607,626)	-	(1,630,346)
Depreciation expense	-	(280,260)	(167,564)	-	(447,824)
Disposals	-	-	24,520	-	24,520
<b>Balance at 30 June 2020</b>	<b>-</b>	<b>(1,302,980)</b>	<b>(750,670)</b>	<b>-</b>	<b>(2,053,650)</b>
Depreciation expense	-	(329,581)	(200,637)	-	(530,218)
Disposals	-	-	2,462	-	2,462
<b>Balance at 30 June 2021</b>	<b>-</b>	<b>(1,632,561)</b>	<b>(948,845)</b>	<b>-</b>	<b>(2,581,406)</b>
<b>Net book value</b>					
At 31 June 2020	19,722,933	8,276,438	1,736,943	601,316	30,337,630
<b>At 31 June 2021</b>	<b>20,881,830</b>	<b>8,153,553</b>	<b>1,901,134</b>	<b>887,044</b>	<b>31,823,561</b>

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 2021 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 Chris Seagar of Seagar & Partners .

<b>Significant unobservable valuation input</b>	<b>Range</b>
Price per hectare	\$118,000 to \$220,000

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

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

	30 June 2021 \$	30 June 2020 \$
<b>Carrying value of freehold land if measured at cost</b>		
If freehold land were measured at cost less accumulated depreciation and impairment, the respective carrying amounts would be as follows:		
<b>At Cost</b>	<b>7,359,929</b>	<b>7,425,533</b>

## Significant Accounting Judgements, Estimates and Assumptions

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

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

### Policies

Property Plant and Equipment comprises land and other fixed assets held for use in the production or supply of services. With the exception of freehold land, property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is subject to annual revaluation at "fair value" on the basis of independent valuation.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance are recognised in profit and loss as incurred.

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

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

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

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

Residual values and useful lives are reviewed, and adjusted if appropriate at each Balance Sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

### Land Revaluations

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

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

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

### Derecognition

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

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

	30 June 2021 \$	30 June 2020 \$
<b>6. Investment In Joint Venture</b>		
<b>Northport Ltd</b>		
Main activity: Seaport		
Balance date: 30 June		
Shareholding	50%	50%
Balance at 1 July	46,269,310	46,719,234
Share of net profit after tax	9,512,744	8,795,107
Share of current period elimination re. previous inter entity asset sales	12,111	13,092
<b>Share of profit from joint venture</b>	<b>9,524,855</b>	<b>8,808,199</b>
Share of hedging reserve	496,155	(185,958)
Share of revaluation reserve	3,498,508	(327,165)
<b>Share of total comprehensive income</b>	<b>13,519,518</b>	<b>8,295,076</b>
Dividends received	(8,295,107)	(8,745,000)
<b>Balance at 30 June</b>	<b>51,493,721</b>	<b>46,269,310</b>
<b>Summary financial information</b>		
Cash and equivalents	358,884	325,482
Other current assets	5,574,666	5,040,869
Total current Assets	5,933,550	5,366,351
Total non current assets	145,683,544	141,675,885
<b>Total assets</b>	<b>151,617,094</b>	<b>147,042,236</b>
Current financial liabilities (excluding trade and other payables)	882,137	1,083,556
Other current liabilities	5,092,340	5,613,075
Total current liabilities	5,974,477	6,696,631
Non current financial liabilities (excluding trade and other payables)	40,015,975	45,143,560
<b>Total liabilities</b>	<b>45,990,452</b>	<b>51,840,191</b>
<b>Net assets</b>	<b>105,626,642</b>	<b>95,202,045</b>
<b>Group's share of net assets 50%</b>	<b>52,813,321</b>	<b>47,601,023</b>
Other consolidated adjustments	(1,319,600)	(1,331,713)
<b>Investment in joint venture</b>	<b>51,493,721</b>	<b>46,269,310</b>
Revenue	44,604,849	39,825,753
Depreciation and amortisation	4,343,446	4,053,667
Interest income	3,312	14,371
Interest expense	1,909,490	1,850,283
Tax expense	6,575,504	4,936,925
Net surplus after tax	19,025,486	17,590,214
Other comprehensive income	7,989,325	(1,026,246)
<b>Total comprehensive income</b>	<b>27,014,811</b>	<b>16,563,968</b>



# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

## Policies

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

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

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

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

### *Derivative financial instruments and hedging*

Northport Ltd 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 Comprehensive Income 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 and 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.

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

	30 June 2021 \$	30 June 2020 \$
<b>7. Receivables And Prepayments</b>		
Trade receivables	32,398	84,619
Related parties (Note 16.1)	175	3,696
GST refund due	65,079	44,106
Prepayments	159,033	156,882
Sundry debtors	21,411	19,911
	<b>278,096</b>	<b>309,214</b>

## 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.

	30 June 2021 \$	30 June 2020 \$
<b>8. Payables</b>		
Trade payables	1,062,413	684,356
Related parties (Note 16.2)	-	3,068
Retentions	211,342	179,326
Employee leave provisions	56,066	28,645
Other payables	525,326	182,160
	<b>1,855,147</b>	<b>1,077,555</b>

## Policies

### Payables

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

### Employee Benefits

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

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

	30 June 2021 \$	30 June 2020 \$
<b>9. Bank Loans</b>		
BNZ loan facility – current portion	10,000,000	–
BNZ loan facility – non-current portion	13,950,000	16,550,000
	<b>23,950,000</b>	<b>16,550,000</b>

As at 30 June 2021, the Company had access to funding facilities with the BNZ totalling \$31,500,000. A \$10,000,000 tranche of the Company's funding facility is due to expire on 31 March 2022. The Company will enter into negotiation with the BNZ closer to the expiry date and expects to renew this expiring tranche in the normal course of business.

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

Interest rates are determined by reference to prevailing money market rates at the time of draw-down plus a margin. Interest rates (excluding establishment and line fees) paid during the year ranged from 1.26% to 1.51% (2020: 1.27% to 2.86%).

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

## Policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

	30 June 2021 \$	30 June 2020 \$
<b>10. Revenue In Advance</b>		
Balance at 1 July	867,491	802,535
Marina berth licence sales proceeds	1,080,913	241,469
Marina berth licence buy back	(21,909)	(4,141)
Recognition – current period	(179,105)	(172,372)
<b>Balance at 30 June</b>	<b>1,747,390</b>	<b>867,491</b>

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.

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

	30 June 2021 \$	30 June 2020 \$
<b>11. Contributed Equity</b>		
<b>11.1. Share capital</b>		
<b>Balance at 30 June</b>	<b>14,688,144</b>	<b>14,688,144</b>

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

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

	No. Shares	No. Shares
<b>Total at 30 June</b>	<b>41,300,651</b>	<b>41,300,651</b>

## 11.2. Earnings per share

Earnings per share of 34.53 cents per share (2020: 16.18 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 (2020: 41,300,651 shares). Diluted earnings per share has been calculated on the same basis.

	30 June 2021 \$	30 June 2020 \$
<b>11.3. Dividends paid</b>		
During the financial year the following dividend payments were made -		
Final, 25/09/20 - 9.25 cents/share (13/09/19 - 9.25 cents)	3,820,312	3,820,312
Interim, 26/03/21 - 6.75 cents/share (27/03/20 - 6.75 cents)	2,787,794	2,787,794
	<b>6,608,106</b>	<b>6,608,106</b>

### 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.

## 11.4. Capital management

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

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

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

	30 June 2021 \$	30 June 2020 \$
<b>12. Taxation</b>		
<b>12.1 Taxation expense</b>		
<b>Net surplus before taxation</b>	<b>14,283,511</b>	<b>6,702,220</b>
Prima facie tax at 28%	3,999,383	1,876,622
<i>Adjusted for the tax effect of:</i>		
Tax paid joint venture earnings	(340,938)	(14,030)
Imputed dividend receipts	(2,322,630)	(2,448,600)
Revaluation non-assessable/non-deductible (income)/expense	(1,027,428)	831,072
Capitalised borrowing costs deducted for tax purposes	(31,093)	(16,318)
Non-deductible expenses	18,931	19,303
Carried forward losses not recognised (recognised)	(272,644)	(226,421)
<b>Income tax expense</b>	<b>23,581</b>	<b>21,628</b>
<i>Represented by:</i>		
Current taxation	23,581	21,628
Deferred taxation	-	-
<b>Income tax expense</b>	<b>23,581</b>	<b>21,628</b>
<b>12.2 Deferred tax</b>		
Balance at 1 July	-	-
Items charged to profit and loss	-	-
<b>Balance at 30 June</b>	<b>-</b>	<b>-</b>
<i>Represented by:</i>		
Investment property	(1,465,270)	(1,293,830)
Property, plant and equipment	(130,717)	(81,979)
Provisions	20,598	8,020
Deferred tax liability	(1,575,389)	(1,367,789)
Deferred tax asset (tax effect of losses carried forward)	1,575,389	1,367,789
<b>Net deferred tax asset</b>	<b>-</b>	<b>-</b>

### Significant Accounting Judgement, Estimate and Assumption

At the end of the reporting period the Group has accumulated tax losses amounting to \$6,654,868 with a tax effect of \$1,863,363 (2020: losses \$7,055,992 tax effect \$1,975,569) subject to Inland Revenue Department confirmation. Due to the time frame in which assessable income is anticipated to be available to offset such losses the Group has determined that it is appropriate to only recognise losses in the financial statements to a level that directly offsets the deferred tax liability.

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

## 12. Taxation (continued)

### Policies

#### Current Tax

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

#### Deferred Tax

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

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

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

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- When the deductible temporary difference is associated with investments in subsidiaries, joint ventures or interests in joint operations, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

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

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

#### Taxation Expense

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

#### Tax Losses

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

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

	30 June 2021 \$	30 June 2020 \$
<b>13. Other Investments</b>		
Fonterra Co-operative Group Ltd – Shares		
Balance at 1 July	448,557	461,750
Acquisition/(disposals)	–	–
Fair value movements	2,399	(13,193)
<b>Balance at 30 June</b>	<b>450,956</b>	<b>448,557</b>

Fair Value Movement in Other Investments	Shares Held	Disclosed Fair Value Per Share		Fair Value Movement
		30 June 2021	30 June 2020	
Fonterra Co-operative Group Ltd – Shares	119,935	3.76	3.74	2,399

## Policy

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

## Financial Assets

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

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

## 14. Financial Risk Management Objectives And Policies

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

### 14.1 Liquidity risk

The Group manages its exposure to liquidity risk by maintaining a balance between continuity of funding and flexibility through the use of bank loans, overdrafts and committed available credit lines. As at 30 June 2021, the Company had access to funding facilities with the BNZ totalling \$31,500,000 (2020: \$20,500,000) of which \$23,950,000 was drawn down at this date (2020: \$16,550,000). The present and expected level of cash flow is sufficient to meet repayment requirements.

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

	On demand \$	Less than 3 months \$	3 to 12 months \$	Over 12 months \$
Interest-bearing loans and borrowings (includes interest expense)	-	125,270	10,325,050	14,470,180
Trade and other payables	-	1,062,413	211,342	-
<b>Balance at 30 June 2021</b>	<b>-</b>	<b>1,187,683</b>	<b>10,536,392</b>	<b>14,470,180</b>
Interest-bearing loans and borrowings (includes interest expense)	-	95,000	285,000	16,710,000
Trade and other payables	-	687,424	179,326	-
<b>Balance at 30 June 2020</b>	<b>-</b>	<b>782,424</b>	<b>464,326</b>	<b>16,710,000</b>

As at 30 June 2021, joint venture company Northport Ltd had access to funding facilities totalling \$50,000,000 (2020: \$45,000,000) of which a total sum of \$15,000,000 remained undrawn at balance date.

### 14.2 Credit risk

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

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

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



# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

## 14.3 Price risk

Price risk arises from investments in equity securities as detailed in Note 13. 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.

## 14.4 Interest rate risk

The Group's exposure to the risk in changes in interest rates primarily stems from its long-term debt obligations having a floating interest rate.

At balance date, the Company had the following direct exposure to variable interest rate risk:

	30 June 2021 \$	30 June 2020 \$
<b>Financial liabilities</b>		
Bank Loan	(23,950,000)	(16,550,000)

The Group also has an indirect exposure to variable interest rate risk via its holding in joint venture entity Northport Ltd. This entity periodically enters into cash flow hedges to hedge the risk associated with fluctuations in interest rates (refer Note 6).

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.

	30 June 2021 \$	30 June 2020 \$
<b>+1.0% (100 Basis Points)</b>		
Post Tax Profit and Equity - Higher (Lower)	(239,500)	(165,000)
<b>-0.5% (50 Basis Points)</b>		
Post Tax Profit and Equity - Higher (Lower)	119,750	82,750

## 14.5 Financial instruments

*The Group has the following categories of financial instruments*

<b>Financial assets at fair value through profit or loss Designated on initial recognition</b>		
Fonterra Co-operative Group Ltd - shares	450,956	448,557
<b>Financial assets at amortised cost</b>		
Cash and deposits	153,510	144,503
Receivables	119,063	152,332
<b>Financial liabilities at amortised cost</b>		
Payables	(1,855,147)	(1,077,555)
Bank loans	(23,950,000)	(16,550,000)

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

	30 June 2021 \$	30 June 2020 \$
<b>15. Operating Lease Commitments</b>		
The following future minimum rentals receivable as a lessor existed at year end:		
Less than 1 year	2,860,062	2,720,767
Between 1 – 5 years	7,494,835	7,416,864
Over 5 years	3,679,960	5,260,249
	<b>14,034,857</b>	<b>15,397,880</b>

The Group leases land and buildings to a variety of customers within close proximity to the port. These non-cancellable leases have remaining terms of between one month and 26 years. All leases include a clause to enable upward revision of the rental charge on contractual rent review dates according to prevailing market conditions.

## 16. Related Party Disclosure

The Company transacted with the following related parties during the period:

### Northport Ltd

This company is jointly owned by the Marsden Maritime Holdings Ltd and Port of Tauranga Ltd. It was established to build a new port facility at Marsden Point which commenced operations in June 2002. As a shareholder in this entity, the Company, during the year ended 30 June 2021, received dividends amounting to \$8,295,107 (2020: \$8,745,000) together with full imputation credits.

### North Tugz Ltd

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

### Marsden Cove Canals Management Ltd

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

### Northland Regional Council

The Northland Regional Council is the major shareholder of Marsden Maritime Holdings Ltd. During the year it received dividend payments totalling \$3,542,865 (2020: \$3,542,865).

### Directors

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

### Key Management Personnel

The directors and certain senior management of the Group have been identified as key management personnel by virtue of their authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly. Total compensation for key management personnel amounted to \$995,040 (2020: \$899,152) comprising directors' fees \$282,595 (2020: \$264,048), salaries \$579,563 (2020: \$518,551), management bonuses \$57,000 (2020: \$51,525) and associated benefits \$75,882 (2020: \$65,028).

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

	30 June 2021 \$	30 June 2020 \$
<b>16. Related Party Disclosure (Continued)</b>		
<b>16.1 Related party receivables</b>		
Marsden Cove Canal Management Ltd	175	3,696
	<b>175</b>	<b>3,696</b>
<b>16.2 Related party payables</b>		
Northport Ltd	-	488
Northland Regional Council	-	2,203
MMH Directors	-	377
	-	<b>3,068</b>
<b>16.3 Northport Ltd</b>		
Services provided by Marsden Maritime Holdings Ltd	31,596	32,075
Leases provided by Marsden Maritime Holdings Ltd	324,204	324,204
Services provided to Marsden Maritime Holdings Ltd	44,734	72,002
Services provided to North Tugz Ltd	245,484	257,865
Services provided to Northland Regional Council	21,428	-
<b>16.4 North Tugz</b>		
Services provided to Northland Regional Council	1,000	22,500
Services provided to Northport Ltd	6,286,725	5,503,513
<b>16.5 Northland Regional Council</b>		
Services provided to Marsden Maritime Holdings Ltd	43,304	39,399
Services provided to Northport Ltd	150,622	207,459
<b>16.6 Marsden Cove Canals Management Ltd</b>		
Levies charged to Marsden Maritime Holdings Ltd	88,779	68,022
Services provided by Marsden Maritime Holdings Ltd	7,006	17,995
<b>16.7 Directors of Marsden Maritime Holdings Ltd</b>		
Services provided to Marsden Maritime Holdings Ltd	282,595	264,048
Services provided to Northport Ltd	87,500	77,084

# Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2021

## 17. Contingent Liabilities

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

To the Bank of New Zealand for a \$75,000 (June 2020: \$75,000) Bond given by them to the New Zealand Stock Exchange.

## 18. Capital Commitments

Commitments for capital expenditure at 30 June 2021 amounted to \$6,614,638 and relate to the construction of three commercial leasehold properties. (2020: \$703,850 marina extension and smartshelter). Capital expenditure commitments in respect of the Group's Joint Venture interests as at 30 June 2021 totalled \$524,723. (2020: Nil).

## 19. Subsequent Events

Joint Venture company Northport Ltd declared a fully imputed ordinary dividend of \$6,012,743 to be paid in two instalments,

\$4,500,000 on 31 August 2021 and \$1,512,743 on 30 September 2021.

Subsequent to balance date, the Board of Marsden Maritime Holdings Ltd declared a fully imputed ordinary dividend of 11.25 cents per share with payment to be made on 24 September 2021.

# Auditor's Report



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## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDERS OF MARSDEN MARITIME HOLDINGS LIMITED

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

#### Opinion

We have audited the consolidated financial statements of the Group on pages 24 to 50 that comprise the consolidated balance sheet as at 30 June 2021, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2021, 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 (including International Independence Standards) (New Zealand)* 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.

Ernst & Young provides taxation assurance services to the Group. 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

# Auditor's Report (Continued)



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matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

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

## VALUATION OF LAND AND INVESTMENT PROPERTIES

Why significant	How our audit addressed the key audit matter
<p>The valuations of land and investment properties, carried at \$20.9m and \$93.4m respectively, are important to our audit as they represent significant judgment areas and a significant percentage (64%) of the total assets of the Group.</p> <p>The Group engaged independent registered valuers to determine the fair value of these assets at 30 June 2021. The land and investment property valuations require the use of judgments specific to the assets, as well as consideration of the prevailing market conditions.</p> <p>Significant assumptions used in the valuation are inherently subjective and in times of economic uncertainty the degree of subjectivity is higher than it might otherwise be. A small difference in any one of the key assumptions, when aggregated, could result in a significant change to the valuation of a property. Amongst other matters, the valuations are based on assumptions such as future lease revenues, discount and capitalisation rates and land values per square metre.</p>	<p>In obtaining sufficient audit evidence we:</p> <ul style="list-style-type: none"> <li>▶ documented our understanding of the valuation process which involved identifying and assessing management controls over the process;</li> <li>▶ evaluated the objectivity, independence and expertise of the external valuer;</li> <li>▶ reviewed the instructions provided to the valuer;</li> <li>▶ compared the key valuation assumptions used and the assessed values by property to the previous year's equivalent assumptions and amounts to determine the principal reasons for changes in assessed values;</li> <li>▶ agreed a sample of new leases from the underlying tenancy schedule to supporting lease agreements;</li> <li>▶ involved our real estate valuation specialists to assess the valuations, underlying valuation methodology and validity of assumptions against market evidence;</li> <li>▶ considered the treatment of amounts capitalised in the year in relation to land improvements, their treatment in the financial statements and their impact on the valuation of land; and</li> <li>▶ assessed the adequacy of the financial statement disclosures made in respect of the valuation of land and investment properties.</li> </ul>

### Other information

The directors of the company are responsible for the Annual Report, which includes information other than the consolidated financial statements and auditor's report.

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



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In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Directors' responsibilities for the consolidated financial statements**

The Directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

#### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of shareholders taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## Auditor's Report (Continued)



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- 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, actions taken to eliminate threats or safeguards applied.

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.

A handwritten signature in blue ink, appearing to read 'Lloyd Bunyan', is written over a light blue horizontal line.

Lloyd Bunyan  
Ernst & Young  
On behalf of the Auditor-General  
Auckland, New Zealand  
26 August 2021



# Corporate Governance Statement



# Corporate Governance Statement

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

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

The Board confirms that as at 30 June 2021, 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](http://www.marsdenmaritime.co.nz). This statement was approved by the Board on 26 August 2021.

## Principle 1 – Code of Ethical Behaviour

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

### Code of Ethics

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 that applies to directors and employees. The purpose of the Code of Ethics is to underpin and support the values that govern individual and collective behaviour. The Code of Ethics 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 or of any law, regulation, company policy or any other serious wrongdoing.

## Securities Trading Policy

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

## Principle 2 – Board Composition and Performance

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

### Board Charter

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

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

### Director Independence

The Board determines on a case-by-case basis who, in its view, are independent directors. The guidelines set out in the NZX Listing Rules are used for this purpose.

As at 30 June 2021 the Board comprised seven non – executive directors, six of whom were independent. A profile of each director is included in this Report. Further details are available from the Company’s website.

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

# Corporate Governance Statement (Continued)

## 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 2021:

Director	Status	Date Appointed	Last Re-Elected	Date Ceased
Murray Jagger	Board Chairman Chair Board Nom. Com. Independent Director	Oct 2015	Oct 2018	-
Mark Bogle	Independent Director	Oct 2014	Nov 2020	-
Tony Gibson*	Non-Independent Director	Apr 2018	Oct 2018	-
Benoît Marcenac	Independent Director	Oct 2019	-	-
Rabin Rabindran	Independent Director	Oct 2019	-	-
Hamish Stevens	Chair Audit & Risk Com.	Oct 2018	-	-
Elena Trout	Independent Director	Oct 2011	Nov 2017	Nov 2020
Kirsten Andrews	Independent Director	Nov 2020	-	-

\* Subsequent to 30 June 2021, Tony Gibson was deemed to be an Independent Director by the Board.

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

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

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

## Diversity

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

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

## Gender Composition of the Board and Management as at 30 June

	2021		2020	
	Number	%	Number	%
<b>Directors</b>				
Female	1	14	1	14
Male	6	86	6	86
<b>Management</b>				
Female	1	25	1	25
Male	3	75	3	75
<b>Total employees</b>				
Female	5	36	3	27
Male	9	64	8	73

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 (Continued)

## Principle 3 – Board Committees

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

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

Information in relation to the number of meetings of each Committee and the fees paid to members are shown on pages 21 and 59 of this report.

### Audit and Risk Committee

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

As at 30 June 2021 the Committee comprised three Directors: Hamish Stevens (Chair), Mark Bogle and Rabin Rabindran. All members are independent directors with Mr Bogle and Mr Stevens both being members of Chartered Accountants Australia and New Zealand. The Board Chairman attends meetings in an ex officio capacity.

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

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

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

### Remuneration Committee

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

As at 30 June 2021 the Committee comprised Tony Gibson (Chair), Murray Jagger and Hamish Stevens.

### Board Nomination Committee and Director appointment

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

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

As at 30 June 2021 the Committee comprised Murray Jagger (Chair) and Benoît Marcenac.

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

### Health and Safety Committee

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

The responsibilities of the Committee include:

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

The Board Chairman chairs the Committee.

## Corporate Governance Statement (Continued)

### Board and Committee Meeting Attendance

The full Board met nine times between 1 July 2020 and 30 June 2021.

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**	5	5	5	5
Mark Bogle	9	9	9	9
Tony Gibson	7	9	7	9
Benoît Marcenac	9	9	9	9
Rabin Rabindran	9	9	9	9
Hamish Stevens	8	9	8	9
Elena Trout***	3	4	3	4

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

\* Ex officio.

\*\* Kirsten Stewart elected to the Board 5 November 2020.

\*\*\* Elena Trout retired from the Board 5 November 2020.

### 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 (Continued)

## 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 advice of a change in earnings forecast 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 its vision to, “enable Northport’s growth and actively invest in business ecosystems to transform Northland’s economy”.

## Principle 5 – Remuneration

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

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

### Director Remuneration

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

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

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

Director fees paid to the non-executive directors of the Company for the financial year ended 30 June 2021 are shown in the Statutory Information section on page 21 of this report.

### Chief Executive Remuneration

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

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

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

### Remuneration paid for the years ended:

	2021	2020
Salary	235,510	191,250
Other benefits*	26,865	24,960
Short term incentive	19,125	7,031
	<b>281,500</b>	<b>223,241</b>

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

# Corporate Governance Statement (Continued)

## Principle 6 – Risk Management

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

### Risk Management Framework

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

### Key Risks

#### Business

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

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

#### Health and Safety

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

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

#### Environmental

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

## Principle 7 – Auditors

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

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

### External Auditors

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

The Company's external auditor for the year ending 30 June 2021 was Lloyd Bunyan of EY on behalf of the Auditor-General. Mr Bunyan has been the auditor since 1 July 2017.

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

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

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

### Internal Audit

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

# Corporate Governance Statement (Continued)

## 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 their annual report 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 2021	No. of Shares	Percentage
1. Northland Regional Council	22,142,907	53.61%
2. Ports of Auckland Limited	8,218,829	19.89%
3. MFL Mutual Fund Limited – a/c NZCSD	977,102	2.36%
4. National Nominees Limited – a/c NZCSD	749,773	1.81%
5. Accident Compensation Corporation – a/c NZCSD	645,970	1.56%
6. HSBC Nominees (New Zealand) Limited – a/c NZCSD	641,116	1.55%
7. M A Janssen Limited	430,833	1.04%
8. JBWere (NZ) Nominees Limited	229,790	0.55%
9. Citibank Nominees (New Zealand) Limited – a/c NZCSD	205,552	0.49%
10. Fraser Bloomfield Hardie and Pamela Joan Hardie and Sharon Mary Dower and Christine Pamela Hardie”	205,000	0.49%
11. Neil Stuart Campbell	167,500	0.40%
12. Kennedy Westland Garland and Christopher Gary Deane	150,241	0.36%
13. Hobson Wealth Custodian Limited	136,163	0.32%
14. New Zealand Depository Nominee Limited	128,539	0.31%
15. TEA Custodians Limited C – a/c NZCSD	125,567	0.30%
16. Francis Lewis David Warren and Avril Pamela Warren	110,040	0.26%
17. Jonathan Brian Michell	110,000	0.26%
18. Custodial Services Limited	108,488	0.26%
19. Bryan Douglas Robertson and Susan Lynette Robertson	104,250	0.25%
20. Christopher Robert Malcolm and Helen Ann Malcolm	100,000	0.24%

## 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	452	31.63%	180,364	0.44%
1,000 – 4,999	664	46.46%	1,453,731	3.52%
5,000 – 9,999	146	10.22%	922,323	2.23%
10,000 to 99,999	147	10.29%	3,056,573	7.40%
100,000 and over	20	1.40%	35,687,660	86.41%
	<b>1429</b>	<b>100.00%</b>	<b>41,300,651</b>	<b>100.00%</b>

Domicile	Number of Shareholders		Shares Held	
Northland	428	29.95%	24,226,673	58.66%
Auckland	493	34.50%	13,313,225	32.23%
Balance of New Zealand	474	33.17%	3,381,819	8.20%
Overseas	34	2.38%	378,934	0.91%
	<b>1429</b>	<b>100.00%</b>	<b>41,300,651</b>	<b>100.00%</b>



# Directory

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## Registered Office

Marsden Maritime Holdings Ltd  
8 Marsden Bay Drive  
Marsden Point 0171  
PO Box 196  
Ruakaka 0151  
New Zealand  
Telephone 09 432 5033  
[www.marsdenmaritime.co.nz](http://www.marsdenmaritime.co.nz)

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## Auditor

Lloyd Bunyan on behalf of the Auditor General

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## Banker

Bank of New Zealand

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## Solicitors

Heimsath Alexander  
Webb Ross McNab Kilpatrick

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## Share Registrar

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

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## Directors

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

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## Management

### Felix Richter

Chief Executive  
Telephone 09 432 5051 (Direct)

### Gavin Carroll

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

### Brent Wilson

Marina Complex Manager  
Telephone 09 432 7740  
(Marina Office)

### Karri Williams

Administration Manager  
Telephone 09 432 5033

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## Joint Venture

Northport Ltd  
P O Box 44  
Ruakaka 0151  
New Zealand  
Telephone 09 432 5010  
Facsimile 09 432 8749  
[www.northport.co.nz](http://www.northport.co.nz)

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## 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](http://www.computershare.co.nz/investorcentre)

General enquiries can be directed to:

[enquiry@computershare.co.nz](mailto: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.

