Marsden
MARITIME HOLDINGS LTD

ANNUAL REPORT 2016

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Financial Calendar

Annual Shareholders' Meeting
The Annual Meeting of Shareholders of Marsden Maritime Holdings Ltd will be held at A'Fare, 197 Lower Dent Street, Town Basin, Whangarei on Tuesday 18 October 2016 at 11.00am.

2017 Interim Profit Announcement
February 2017

Interim Dividend Payment
March 2017

Executive Review

SIR JOHN GOULTER

GRAHAM WALLACE

Marsden Maritime Holdings recorded a net surplus of $12.062 million for the year ended 30 June 2016. This included a revaluation gain of $3.235 million in respect of the Company's investment property holdings (2015 - $0.611 million).

Underlying earnings (depicted by the Company's trading surplus) of $8.459 million represented an 8.7% uplift on that recorded in the previous financial year.

The Company's overall annual performance was founded on a further strong financial contribution from its associate entity, Northport Ltd. It is again pleasing to report that each of our other business segments also recorded improved trading results.

Overall cargo throughput at Northport was 3,397,000 tonnes (2015 – 3,183,000 tonnes) including log exports of 2,671,000 tonnes (2015 – 2,460,000 tonnes), both records for the port facility.

Non-log trade volumes at 726,000 tonnes were fractionally ahead of that handled last year.

Property Holdings

During the period the Company completed construction of a 4,200m^2 warehouse on its industrial estate adjacent to the port. Purpose built for the storage of bulk commodities, the facility has been let to a major international conglomerate on a long term basis and is already handling significant volumes of imported product.

Construction has recently started on new factory premises for a (currently) Auckland-based plastics manufacturer. This is an example of a growing number of businesses that are coming to appreciate the genuine opportunity and lifestyle potential offered in the Marsden Point area. Continued effort has been devoted to the promotion of our land-offerings, highlighting comparisons with Auckland where pressures on development, infrastructure and transport networks and an increasing population, are putting a premium on land and industrial premises. Based on current levels of enquiry, we are confident of confirming further tenancy arrangements within our industrial estate in the near future.

In order to better respond to this anticipated uptake, three large storage tanks have been relocated to enable a large area to be readied for ongoing development. This work, along with new tenancies and a generally improved economic outlook, were all factors in the revaluation gains noted above.

Contrasting the improved rental earnings from our industrial property holdings, farming activity undertaken on our other land holdings continued to experience cyclically low returns.

Marina & Commercial Complex

Berth occupancy rates have continued to improve and the commercial complex remains fully tenanted. We have recently started construction of three new units, most of which are already let, including a recreational boat sales yard which will complement existing services at the marina.

Various enhancements are being undertaken in the lead up to the 2016/17 summer season which will add to what is already an attractive location. Efforts continue in respect of marketing the marina and the wider Marsden Point area to commercial interests as well as tourists and day-trippers from Whangarei.

Our project to establish innovative boat haul out facilities at Marsden Cove is entering an exciting phase, with final access arrangements across a small strip of Whangarei District Council reserve recently confirmed. The facility - comprising a heavy-duty ramp, roadway, secure hard-stand and associated vessel haul out equipment - is expected to be fully operational in mid-2017.

As reported last year the Company already has the necessary resource consents to enable this development to proceed.

Construction is expected to commence shortly and the project is already generating considerable enquiry/interest from a range of marine related businesses. We are confident that ancillary service providers will look to take advantage of the opportunities this haul-out and hard stand facility will provide.

Executive Review continued

Dividend

The Company will pay a fully imputed final dividend of 7.75 cents per share on 16 September. This is an increase of 1.00 cent per share compared to the final dividend paid last year and brings the total dividend distribution for the year to 13.25 cents per share (2015 – 12.00 cents per share).

Constitution

At the forthcoming Annual Meeting we are seeking shareholder approval to update the Company's Constitution. As well as referencing our name change from Northland Port Corporation (NZ) Ltd which occurred in August 2014, amendments are proposed to incorporate changes made in 2012 to the Companies Act 1993 which facilitate the procedure of meetings, and to address changes to the Listing Rules since adoption of the Constitution in 2006.

Outlook

The past year's total log volume was the highest ever achieved by the port and at this stage we anticipate that in the coming year, cargo volumes will stay at about the same levels as in 2015/16. Ongoing business and facility development, along with Northport's potential to assist with relieving capacity issues at Ports of Auckland, forecast by the recently published Port Future Study, indicate steady future growth prospects for us.

In a similar vein, marketing and promotion of the Company's industrial land-holdings will continue to emphasise the relative merits of the Greater Marsden Point Area compared to growth pressures being experienced in Auckland. In this respect we have employed additional resource to assist in securing further tenancies on our industrial land and this will continue to be our focus in the year ahead.

We also anticipate that infrastructure development and enhancement projects at Marsden Cove Marina will result in higher visitor numbers, which in turn are expected to create opportunities for further growth.

Given the numerous opportunities potentially available to us, a further year of satisfactory progress is forecast.

Sir John Goulter KNZM, JP
CHAIRMAN

Graham Wallace
CHIEF EXECUTIVE

Northport
CRONOS

Board of Directors

Sir John Goulter KNZM, JP

Chairman Marsden Maritime Holdings Ltd
Chairman Northport Ltd
Member Remuneration Committee

Sir John was first elected to the Board of Marsden Maritime Holdings Ltd in October 2011 and was appointed Chairman in November 2012. Sir John has long-standing experience in both the public and private sectors in New Zealand. He currently acts as Chairman of the New Zealand Business and Parliament Trust, Metro Performance Glass Ltd and Northport Limited. He is a former Chair of the NZ Lotteries Commission and NZ Carriers Group; a former director of the Reserve Bank of New Zealand, Television NZ Limited, Vector Limited and was the inaugural Managing Director of Auckland International Airport Limited. In 1999 Sir John was recognised as the New Zealand Herald Business Leader of the Year and in 2003 was appointed a Distinguished Companion of the New Zealand Order of Merit (DCNZM) for services to business and the community. This honour was re-designated as Knight Companion of the New Zealand Order of Merit (KNZM) in 2009. Sir John is a graduate of Harvard Business School (Advanced Management Program), a Justice of the Peace and a Fellow of the New Zealand Institute of Management. He was inducted as a Laureate into the New Zealand Business Hall of Fame in 2003. Sir John is considered to be an Independent Director.

Mark Bogle

Director Marsden Maritime Holdings Ltd
Member Audit and Risk Committee

Mark is a qualified Accountant and is a member of Chartered Accountants Australia and New Zealand. He also has a Master of Public Policy degree. He has a background in corporate governance, audit, finance and commerce and has energy and forestry sector experience at Executive or Director level. Mark is a Director of Habitat for Humanity NZ Ltd and Habitat for Humanity (Northland) Ltd. Mr Bogle is considered to be an Independent Director.

Peter Griffiths

Director Marsden Maritime Holdings Ltd
Chair Remuneration Committee

Mr Griffiths is a professional Director and joined the Board in 2010. In 2009 he retired after 21 years with BP, the last 10 of which he was Managing Director of BP NZ. He has previously served on the Boards of NZ Refining Company Ltd, Liquigas Ltd, Wanganui Gas Ltd, NZ Oil and Gas Ltd and Bitumix Ltd. He is currently the Chairman of NZ Diving and Salvage Ltd, Z Energy Ltd, a Director of Wings Over Whales (NZ) Ltd and a Member of the Civil Aviation Authority. Mr Griffiths holds a BSc (Hons) from Victoria University in Wellington. Mr Griffiths is considered to be an Independent Director.

Susan Huria

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

Ms Huria is a professional Director joining the Board in 2009. She is Chairman of Veterinary Enterprises Group and a Director of Ngai Tahu Property and she is the independent Chair of the Remuneration Committee of Maori Television and serves on the Auckland branch of the Institute of Directors. Her previous Directorships include Agresearch, where she was Deputy Chair, Radio New Zealand Limited, Housing New Zealand Corporation, Watercare Services, Airways Corporation and Manukau Leisure. Ms Huria is considered to be an Independent Director.

Murray Jagger

Director Marsden Maritime Holdings 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 member of the NZ Institute of Directors. Murray has been a Director of Livestock Improvement Corporation (LIC) since 2000 and is currently Chairman of LIC's shareholder committee. He is also a Director of Co-operative Business NZ, President of the Whangarei Agricultural and Pastoral Society, Advisory Member to Beef and Lamb Genetics Advisory Group and is an Officer of the Fire Service. Mr Jagger is considered to be an Independent Director.

Elena Trout

Director Marsden Maritime Holdings Ltd
Chair Audit and Risk Committee

Ms Trout is a professional civil engineer with an IPENZ membership status of Fellow and holds a Masters of Civil Engineering degree from Canterbury University. She has held a number of executive positions in the transport, infrastructure and energy sectors and has over 30 years of experience in the management planning and delivery of large projects.
Ms Trout is currently a member of the Electricity Authority, a member of the Electricity Efficiency and Conservation Authority, President of the Institution of Professional Engineers NZ, Director of Harrison Grierson Holdings Ltd and former Director of Transpower NZ Ltd. Ms Trout joined the Board in 2011 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, Simon Brotherton of the firm Ernst & Young has been 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 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015
J P Goulter	4,000	4,000	–	–	–	–
M Bogle	25,000	–	–	–	–	–
P W Griffiths	–	–	–	–	–	–
S Huria	1,000	1,000	–	–	–	–
M Jagger	–	–	–	–	–	–
D Keys *	–	–	–	–	–	–
E Trout	–	–	–	–	–	–

* Resigned 22 October 2015

Share Transactions during the period 1 July 2015 to 30 June 2016

Date	Transaction	No. of Shares Acquired	Average Price per Share $
20/11/15	Purchase by Mr M Bogle	25,000	2.93

Directors' Interests

The following are particulars of general disclosures of interest by Directors of Marsden Maritime Holdings Ltd holding office at 30 June 2016, pursuant to section 140(2) and section 211(1)(e) of the Companies Act 1993.

Director	Interest	Position
Sir John Goulter KNZM, JP	Northport Ltd	Chairman
	NZ Business and Parliament Trust	Chairman
	Metro Performance Glass Ltd	Chairman
	Opua Commercial Estate Ltd	Director/Shareholder
	Packard House Ltd	Director/Shareholder
	Ururangi Ltd	Chairman (ceased October 2015)
Mark Bogle	MSB Investments Ltd	Director/Shareholder
	Trading Enterprises Incorporated Ltd	Director/Shareholder
	Habitat for Humanity NZ Ltd	Director
	Habitat for Humanity (Northland) Limited	Director
Peter Griffiths	NZ Diving and Salvage Ltd and Associated Companies	Chairman
	The Civil Aviation Authority	Member
	Z Energy Ltd	Chairman
	Wings Over Whales (NZ) Ltd	Director (appointed July 2015)
	NZ Business and Parliament Trust	Council Trustee (appointed December 2015)
	NZ Oil and Gas Ltd	Chairman (ceased February 2016)
	Hemnestral Ltd	Director
Susan Huria	Huria Anders Ltd	Director/Shareholder
	Maori Television Remuneration Committee	Chairman (appointed August 2015)
	Marsden Cove Canals Management Ltd	Director
	Ngai Tahu Property Ltd	Director
	Susan Huria & Associates Ltd	Director/Shareholder
	Veterinary Enterprises Group	Chairman
	Airways Corporation Ltd	Director (ceased November 2015)
	First Foundation	Trustee (ceased November 2015)
	Te Ara Tika Properties Ltd	Director/Shareholder (ceased April 2016)

Directors' Interests (continued)

Director	Interest	Position
Murray Jagger	Manaia View Farms Ltd	Director
	Livestock Improvement Corporation	Director
	Cooperative Business NZ Inc	Director
	Ben Jagger Rallysport Ltd	Director
	Whangarei Agricultural and Pastoral Society	President
Elena Trout	Electricity Efficiency and Conservation Authority	Member
	Electricity Authority	Member
	Institution of Professional Engineers New Zealand	President (effective March 2016)
	Harrison Grierson Holdings Ltd	Director
	Intergroup Ltd	Consulting Services (effective January 2016)
	Eco Stock Supplies Ltd	Advisory Board Chair (resigned August 2015)

Directors' Remuneration and Benefits

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

	Marsden Maritime Holdings Ltd			Northport Ltd
	Director Fees	Consultancy Fees	Other	Director Fees
J P Goulter	54,000	–	1,000	40,000
M Bogle	27,667	–	1,000	–
P W Griffiths	27,667	–	1,000	–
S Huria	27,667	–	1,000	–
M Jagger	19,320	–	691	–
D Keys	8,346	–	309	–
E Trout	33,000	–	1,000	–
	197,667	–	6,000	40,000

Net Tangible Assets per Security

Net tangible assets per security as at 30 June 2016: $3.05 (30 June 2015: $2.88).

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 specified bands as follows:

Remuneration Range $	Number of Employees 2016	2015
110,001 – 120,000	1	–
120,001 – 130,000	–	1
130,001 – 140,000	1	–
140,001 – 150,000	–	–
150,001 – 160,000	–	–
160,001 – 170,000	–	–
170,001 – 180,000	–	–
180,001 – 190,000	–	–
190,001 – 200,000	–	–
200,001 – 210,000	–	–
210,000 – 220,000	–	–
220,000 – 230,000	–	1
230,000 – 240,000	–	–
240,000 – 250,000	1	–

Signed:

Chairman

Elena Trout

Director

Dated 6 September 2016

Corporate Governance Statement

Role of the Board

The Board of Directors of Marsden Maritime Holdings Ltd is elected by the shareholders to supervise the management of the Company and its associates in the best interests of shareholders. The Board currently has six members and has several key functions which are:

- The establishment of business objectives, strategies and policies.
- The approval of annual capital and operating budgets.
- The appointment of a Chief Executive to manage the day to day operations of the Company within the established framework.
- The ongoing monitoring of management performance in relation to the goals established for that purpose.

The Board is committed to the highest standards of behaviour and accountability from Directors and accordingly endorses the principles set out in the NZX Listing Rules, Appendix 16 – Corporate Governance Best Practice Code and Corporate Governance in New Zealand, Principles and Guidelines by the Financial Markets Authority, New Zealand.

The Board considers that its governance processes do not materially differ from the principles set out in these documents. The practices adopted by the Board are prescribed in the Board Charter which sets out the protocols for operation of the Board, and in the Code of Ethics which sets out the manner in which Directors and Employees should conduct themselves.

Board Composition

The composition of the Board is governed by the Company's Constitution which also details how Directors are appointed and removed from office. A copy of the Constitution is available from the Company's website.

The Board normally meets monthly and has met ten times between 1 July 2015 and 30 June 2016.

Special purpose meetings are held as required.

Board Committees

The Board has two committees, the Audit and Risk Committee and the Remuneration Committee.

Audit and Risk Committee

Ms Elena Trout is Chairperson of the Audit and Risk Committee which met on four occasions during the year and has the following objectives:

- The primary objective of the Audit and Risk Committee is to assist the Board of Directors in fulfilling its oversight responsibilities. The Committee reviews the financial reporting process, the system of internal control and management of business risks, the audit process, and the Company's process for monitoring compliance with laws and regulations. In addition, the Committee:
    - oversees and appraises the quality of the audits conducted by the Company's external auditors;
    - maintains open lines of communications among the Board and the external auditors to exchange views and information. The Committee also confirms their respective authorities and responsibilities;
    - serves as an independent and objective party to review the financial information presented by management to shareholders, regulators and the general public and also assists in the development of the future format and content of external reporting;
    - determines the adequacy of the organisation's administrative, operating and accounting controls.

A copy of the Audit and Risk Committee Charter is available on the Company's website.

Remuneration Committee

This Committee comprises Mr Griffiths (Chair), Sir John Goulter and Ms Huria and has the role of reviewing the remuneration levels of the Directors and Senior Management.

The following table outlines the number of meetings attended by Directors during the course of the 2015/2016 financial year:

	Full Board	Board Committees	
		Audit	Remuneration
J P Goulter	10	2*	2
M Bogle	10	4	–
P W Griffiths	9	–	2
S Huria	10	4	2
M Jagger ***	7	–	–
D Keys **	3	–	–
E Trout	9	4	–

* Ex Officio
** Resigned 22 October 2015
*** Appointed 22 October 2015

Diversity Policy

The Company does not have a formal diversity policy, however it recognises the wide ranging benefits that diversity brings to an organisation and its workplaces. Marsden Maritime Holdings endeavours to ensure diversity at all levels of the organisation to ensure a balance of skills and perspectives are available in the service of our shareholders and business partners.

Gender Composition of the Board and Management

	2016		2015	
	Number	%	Number	%
Female				
Directors	2	33	2	33
Management	2	40	1	25
Male				
Directors	4	67	4	67
Management	3	60	3	75

Director Independence

The Board determines annually on a case-by-case basis who in its view are independent Directors. The guidelines set out in the NZX Listing rules (para.3.3.1) are used for this purpose.

All Directors are considered to be Independent.

Conflicts of Interest

Where any Director has a conflict of interest or is otherwise interested in any transaction, that Director is generally required to disclose his or her conflict of interest to the Company, and thereafter will normally not be able to participate in the discussion, nor vote in relation to the relevant matter. The Company maintains a register of disclosed interests.

Board Performance

The Board undertakes an annual review of the Board and sub-committee performance.

Communication with Shareholders

The Company's Directors are committed to ensure that shareholders are informed of all major developments affecting the Group.

Annual and Interim Reports are posted onto the Company's website and each shareholder receives a hard copy of each report.

Shareholders may raise matters for discussion at the Annual Shareholders Meeting each year.

Continuous Disclosure

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.

Risk Management

The Company is committed to managing risk to protect its staff, the environment, financial business risks, company assets and its reputation. A comprehensive risk management system is in place which is used to identify and manage all business risks. The risk profile is reviewed annually. As part of risk management the Company has a comprehensive Treasury Policy that sets out the procedures to minimise financial market risk.

Code of Ethics

A Code of Ethics has been developed and adopted by the Board which sets out the ethical and behavioural standards expected by the Company's Directors and Staff.

Insider Trading

The Board has approved an Insider Trading Policy that applies to all Directors and Staff, and anyone else notified by the Chief Executive Officer, from time to time, that has access to material information not available to the public.

Under the Policy the above persons may not trade in Marsden Maritime Holdings shares, or advise or encourage others, to trade or hold Marsden Maritime Holdings shares if they are in possession of material information that is not publicly available.

In addition, shares can only be traded in selected periods after the announcement of interim and annual results.

NZX is advised of all trades of Marsden Maritime Holdings shares by Directors and Staff.


BOAT SALES
VINING SHIPBROKERS
VINING SHIPBROKERS
Anne-Marie

Financial Statements

For the Year Ended 30 June 2016

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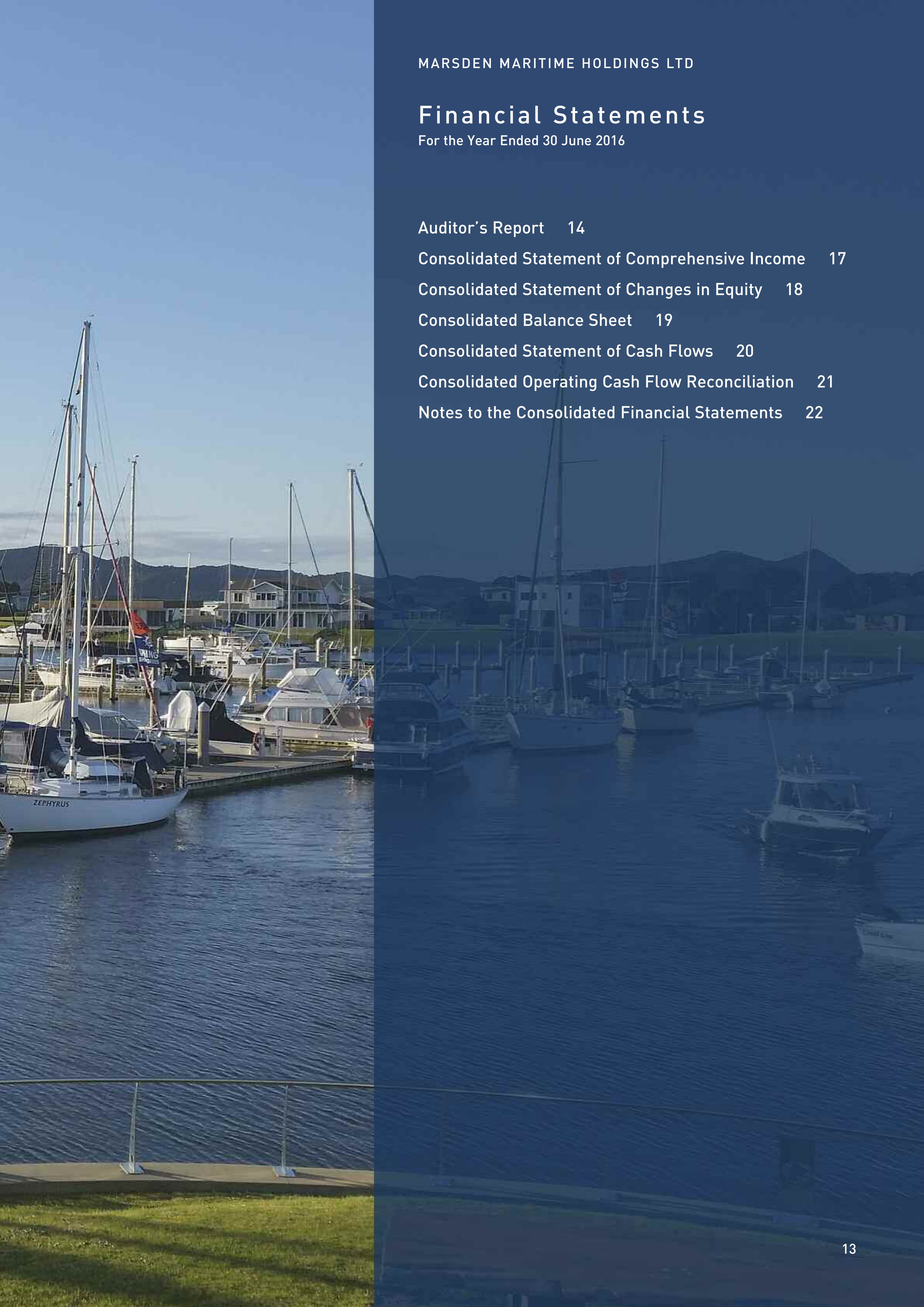

Auditor's Report

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
MARSDEN MARITIME HOLDINGS LIMITED GROUP
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

The Auditor-General is the auditor of Marsden Maritime Holdings Limited Group (the Group). The Auditor-General has appointed me, Simon Brotherton, using the staff and resources of Ernst & Young, to carry out the audit of the financial statements of the Group consisting of Marsden Maritime Holdings Limited and its subsidiaries and other controlled entities, on her behalf.

Opinion

We have audited the financial statements of the Group on pages 17 to 47, that comprise the balance sheet as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of the Group:

- present fairly, in all material respects:
  - its financial position as at 30 June 2016; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

Our audit was completed on 26 August 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities, and explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence shareholders' overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Group's financial statements 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.

Building a better working world

Chartered Accountants

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Directors;
- the adequacy of the disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements. Also, we did not evaluate the security and controls over the electronic publication of the financial statements.

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

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and fair presentation of financial statements for the Group that comply with generally accepted accounting practice in New Zealand, New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

The Board of Directors' responsibilities arise from the Port Companies Act 1988 and the Financial Markets Conduct Act 2013.

The Board of Directors is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for the publication of the financial statements, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

In addition to the audit we have carried out assignments in the areas of tax compliance and related advice, which are compatible with those independence requirements. We have no other relationship with or interests in the Group.

Simon Brotherton
Ernst & Young
On behalf of the Auditor-General
Auckland, New Zealand

Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2016

	Note	30 June 2016 $	30 June 2015 $
Revenue			
Rents & Leases		2,256,723	1,782,092
Share of Joint Venture Company's Net Surplus	11	8,494,982	8,243,471
Revenue from Goods Sold		813,826	250,137
Farming Revenue		174,244	328,631
Interest Income		15,332	40,826
Dividends		51,004	17,148
Other		133,763	108,045
Total Revenue		11,939,874	10,770,350
Expenditure			
Operational Expenses	5	726,672	753,453
Cost of Goods Sold		714,010	220,161
Land Rates & Lease Expenses	6	479,702	473,995
Administrative Expenses	7	1,252,321	1,152,138
Finance Costs	8	178,182	271,500
Depreciation Expense	9	130,270	118,128
Total Expenditure		3,481,157	2,989,365
Trading Surplus		8,458,717	7,780,985
Gain (Loss) on Sale of Property, Plant & Equipment		(2,213)	1,072
Gain (Loss) on Sale of Other Investments		–	(121)
Revaluation of Investment Property	23	3,234,975	611,076
Fair Value Movements	17, 21	375,806	7,790
Operating Surplus Before Taxation		12,067,285	8,400,802
Taxation Expense	10	5,763	10,327
NET SURPLUS AFTER TAXATION		12,061,522	8,390,475
Other Comprehensive Income			
Items that will be recycled through profit and loss			
Cash Flow Hedges - Gain (Loss) taken to Reserves (Northport)		(549,219)	(373,083)
Income Tax relating to items of Other Comprehensive Income (Northport)		153,782	104,463
Items that will not be recycled through profit and loss			
Revaluation of Land Holdings	22(c)	–	(10,000,024)
Share of Net Change in Revaluation Reserve (Northport)	20(a)	283,041	(737,167)
Other Comprehensive Income for Year		(112,396)	(11,005,811)
TOTAL COMPREHENSIVE INCOME		11,949,126	(2,615,336)
(attributable to Owners of the Company)			
Basic & Diluted Earnings Per Share (cents)	19(b)	29.20	20.32

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

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2016

	Share Capital $	Retained Earnings $	Asset Revaluation Reserve $	Hedging Reserve (Joint Venture) $	TOTAL $
Opening Equity 1 July 2015	14,688,144	44,356,185	60,161,293	(322,459)	118,883,163
Net Surplus After Taxation	–	12,061,522	–	–	12,061,522
Other Comprehensive Income	–	–	283,041	(395,437)	(112,396)
Total Comprehensive Income	–	12,061,522	283,041	(395,437)	11,949,126
Transactions with owners in their capacity as owners:					
Dividends Paid	–	(5,059,331)	–	–	(5,059,331)
Closing Equity 30 June 2016	14,688,144	51,358,376	60,444,334	(717,896)	125,772,958
Opening Equity 1 July 2014	14,688,144	40,715,285	70,898,484	(53,839)	126,248,074
Net Surplus After Taxation	–	8,390,475	–	–	8,390,475
Other Comprehensive Income	–	–	(10,737,191)	(268,620)	(11,005,811)
Total Comprehensive Income	–	8,390,475	(10,737,191)	(268,620)	(2,615,336)
Transactions with owners in their capacity as owners:					
Dividends Paid	–	(4,749,575)	–	–	(4,749,575)
Closing Equity 30 June 2015	14,688,144	44,356,185	60,161,293	(322,459)	118,883,163

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

Consolidated Balance Sheet

As at 30 June 2016

	Note	30 June 2016 $	30 June 2015 $
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	22	19,581,448	19,355,622
Investment Property	23	64,045,000	57,252,000
Investment in Joint Venture Company	20	45,680,812	45,311,954
Other Investments	21	618,852	544,046
Loan - North Port Coolstores (1989) Ltd (Non-Current Portion)	18	–	125,000
Earn Out - North Port Coolstores (1989) Ltd (Non-Current Portion)	17	146,000	139,000
Deferred Tax Asset	24	4,387	6,504
		130,076,499	122,734,126
Current Assets			
Cash & Deposits	12	139,845	200,594
Receivables & Prepayments	13	390,134	586,116
Inventory		34,715	41,634
Loan - North Port Coolstores (1989) Ltd (Current Portion)	18	–	112,500
Earn Out - North Port Coolstores (1989) Ltd (Current Portion)	17	114,000	75,000
Taxation Refundable		–	68,231
		678,694	1,084,075
TOTAL ASSETS		130,755,193	123,818,201
EQUITY AND LIABILITIES			
Equity			
Share Capital	19(a)	14,688,144	14,688,144
Retained Earnings		51,358,376	44,356,185
Asset Revaluation Reserve		60,444,334	60,161,293
Hedging Reserve (Joint Venture)		(717,896)	(322,459)
		125,772,958	118,883,163
Non-Current Liabilities			
Bank Loans	14	4,195,000	3,650,000
Revenue in Advance	15	270,008	137,731
		4,465,008	3,787,731
Current Liabilities			
Payables	16	517,227	1,147,307
		517,227	1,147,307
TOTAL EQUITY AND LIABILITIES		130,755,193	123,818,201

For and on behalf of the Board of Directors who authorised the issue of this financial report on 26 August 2016

Chairman

Director

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2016

	Note	30 June 2016 $	30 June 2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Cash from Customers		3,632,613	2,292,024
Dividends Received		8,064,732	7,995,748
Interest Received		15,332	40,826
Income Tax Refunded		64,585	–
		11,777,262	10,328,598
Cash was applied to:			
Cash Paid to Suppliers & Employees		(3,144,559)	(2,541,972)
Interest Paid		(178,182)	(271,500)
Income Tax Paid		–	(5,960)
		(3,322,741)	(2,819,432)
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES		8,454,521	7,509,166
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Sale of Property, Plant & Equipment		15,174	1,739
Sale of Shares - Ballance Agri-Nutrients		–	9,995
Vendor Financing Loan Repayment	18	237,500	190,000
Earn Out Payment re Sale of Joint Venture	17	255,000	156,000
		507,674	357,734
Cash was applied to:			
Purchase of Property, Plant, Equipment		(316,446)	(422,471)
Purchase of and Improvements to Investment Property		(4,192,167)	(808,653)
Acquisition of Marina & Commercial Complex		–	(6,925,968)
		(4,508,613)	(8,157,092)
NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES		(4,000,939)	(7,799,358)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from:			
BNZ Bank Facility		545,000	5,500,000
		545,000	5,500,000
Cash was applied to:			
BNZ Bank Facility		–	(1,850,000)
Payment of Dividends	19(c)	(5,059,331)	(4,749,575)
		(5,059,331)	(6,599,575)
NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES		(4,514,331)	(1,099,575)
NET INCREASE (DECREASE) IN CASH HELD		(60,749)	(1,389,767)
ADD OPENING CASH BALANCE		200,594	1,590,361
CLOSING CASH BALANCE	12	139,845	200,594

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

Consolidated Operating Cash Flow Reconciliation

For the Year Ended 30 June 2016

	Note	30 June 2016 $	30 June 2015 $
NET SURPLUS AFTER TAXATION		12,061,522	8,390,475
Add (Subtract) Non-Cash Items:			
Depreciation Expense	9	130,270	118,128
Deferred Taxation		2,117	2,482
(Gain) Loss on Sale of Property, Plant & Equipment		2,213	(1,072)
(Gain) Loss on Sale of Other Investments		–	121
Revaluation of Investment Property	23	(3,234,975)	(611,076)
Other Fair Value Movements	17, 21	(375,806)	(7,790)
Share of Joint Ventures' Retained Surplus	11	(481,254)	(264,871)
		(3,957,435)	(764,078)
Add (Subtract) Working Capital Items:			
Movement in Receivables & Prepayments		195,982	(349,181)
Movement in Taxation Refundable		68,231	1,885
Movement in Payables		(630,080)	674,073
Movement in Inventory		6,919	(41,634)
		(358,948)	285,143
Movement in Revenue in Advance		132,277	137,731
Non-Operating Items included in Working Capital Movements above		577,105	(540,105)
NET CASH FLOW FROM OPERATING ACTIVITIES		8,454,521	7,509,166

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

Note 1

GENERAL INFORMATION

Marsden Maritime Holdings Ltd ('the Company') is publicly listed on the New Zealand Stock Exchange (NZX). It is registered under the Companies Act 1993 and is domiciled and incorporated in New Zealand. The Group principally consists of Marsden Maritime Holdings Ltd and joint venture company Northport Ltd.

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 223 berth marina and adjoining commercial complex.

Note 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all of the years presented unless otherwise stated.

Basis of Preparation

Marsden Maritime Holdings Ltd is a reporting entity for the purposes of the Financial Markets Conduct Act 2013.

The Group financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand ('NZ GAAP') and the requirements of the Financial Markets Conduct Act 2013. For the purposes of complying with NZ GAAP the entity is a For-Profit entity.

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.

Statement of Compliance

The Group financial statements comply with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS'). They also comply with International Financial Reporting Standards.

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.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

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.

Joint Venture Companies

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.

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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

Note 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional and Presentation Currency

These financial statements are presented in New Zealand Dollars ($), which is also the functional currency of each entity in the Group.

Revenue Recognition

Revenue comprises the fair value of consideration received or receivable for the sale of goods and services (net of Goods and Services Tax, rebates and discounts). When an outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a portion of the total services to be provided.

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

Dividend Income is recognised when the Group's right to receive the payment is established while interest income is recognised on a time-proportion basis using the effective interest method.

Other Revenues, including farming revenues, are generally recognised when the Group's right to receive payment is established.

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.

Property, Plant & Equipment

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 & Amenities	5-50 years
Plant & Equipment (including vehicles)	2-12 years

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

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

Land Revaluations

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

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

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

Derecognition

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

Note 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment Property

Investment properties are initially measured at cost, including transaction costs. The carrying amount excludes the cost of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are measured at fair value, which is based on active market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset at the reporting date. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no economic benefit is expected from its disposal. Any gains or losses on retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to investment property 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. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

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.

Borrowings

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.

Borrowing Costs

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.

Impairment of Assets

The carrying amounts of the Group's property, plant and equipment, intangibles, investments in joint ventures and receivables, 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).

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.

Dividends

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.

Employee Benefits

Liabilities for wages and salaries, including annual leave entitlements and any non-monetary benefits are recognised in other payables 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.

Receivables

Receivables which generally have a 30 day term are recognised initially at fair value with a subsequent impairment provision made where objective evidence indicates a receivable is impaired. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are generally considered objective evidence of impairment. Individual debts that are known to be uncollectable are written off when identified.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

Note 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits at call with financial institutions, and bank overdrafts.

Financial Instruments

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

Financial Assets at fair value through profit or loss

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

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.

Loans and Receivables

Loans and receivables 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 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.

Derivative Financial Instruments and Hedging

Joint Venture entities within the Group periodically use 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 cash flow 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.

Other Investments

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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

Note 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax

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.

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

Operating lease payments are recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

(ii) Group as a lessor

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

New Accounting Standards and Interpretations

The Group has not elected to early adopt any new standards or interpretations that are issued but not yet effective (refer Note 29).

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

Note 3

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES & 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:

Tax Losses

At the end of the reporting period the Group has accumulated tax losses amounting to $5,842,621 with a tax effect of $1,635,934 (2015 - losses $5,309,361 tax effect $1,486,621) 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.

Estimation of Useful Lives of Assets

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.

Land Revaluation - Northport Ltd

The majority of Northport Ltd's land holdings pertain to an area of reclamation for which freehold title or another long term beneficial interest has yet to be established. The third party valuation of this reclaimed area assumes that a long term beneficial interest will be granted. As the management of Northport Ltd consider that it is highly likely that this will occur, this approach is considered appropriate.

Valuation of Freehold Land

Freehold Land is revalued annually by an independent valuer. The fair value of the Group's land holdings is based on market values, being the estimated amount for which the land could be exchanged between a willing buyer and a willing seller in an arms 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. Due to the low level of recent transactions for land in the area the valuations are inherently subjective.

Valuation of Investment Property

Investment property is revalued annually by an independent valuer. The fair value of the Group's investment properties is based on market values, being the estimated amount for which the property could be exchanged between a willing buyer and a willing seller in an arms length transaction. Changes to market conditions or assumptions made in the estimation of fair value will result in changes to the fair value of investment property. Due to the low level of recent transactions for land in the area the valuations are inherently subjective.

Earn Out - Northport Coolstores (1989) Ltd

The fair value of anticipated future receipts is assessed annually. The level of future receipts is based on estimated revenues derived by the coolstores business for the remaining period to 31 March 2019. A discount rate is then applied to reflect the uncertainty of the level of revenue which will be earned.

Valuation of Derivative Financial Instruments - Northport Ltd

Northport Ltd uses interest rate swaps to hedge the risk associated with fluctuations in interest rate on their loan facility. The derivative financial instruments are valued using valuation techniques with market observable inputs.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

Note 4

FINANCIAL RISK MANAGEMENT OBJECTIVES & 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 lessor extent foreign exchange risk. The Group's overall risk management programme seeks to minimise potential adverse effects on its financial performance.

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.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

As at 30 June 2016	Market Price Level 1 $	Market Inputs Level 2 $	Non Market Inputs Level 3 $	Total $
Financial Assets				
Fonterra Co-operative Group Ltd - Shares (Note 21)	618,852	–	–	618,852
North Port Coolstores (1989) Ltd - Earn Out (Note 17)	–	–	260,000	260,000
Total	618,852	–	260,000	878,852

As at 30 June 2015	Market Price Level 1 $	Market Inputs Level 2 $	Non Market Inputs Level 3 $	Total $
Financial Assets				
Fonterra Co-operative Group Ltd - Shares (Note 21)	544,046	–	–	544,046
North Port Coolstores (1989) Ltd - Earn Out (Note 17)	–	–	214,000	214,000
Total	544,046	–	214,000	758,046

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 2016, the Company had access to funding facilities with the BNZ totalling $6,500,000 (2015 - $6,500,000) of which $4,195,000 was drawn down at this date (2015 - $3,650,000). 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.

Year Ended 30 June 2016	On Demand $	Less than 3 Months $	3 to 12 Months $	Over 12 Months $
Interest-bearing Loans and Borrowings (includes interest expense)*	–	44,167	132,500	4,548,333
Trade and Other Payables	–	235,527	22,781	–
Total	-	279,694	155,281	4,548,333

Year Ended 30 June 2015	On Demand $	Less than 3 Months $	3 to 12 Months $	Over 12 Months $
Interest-bearing Loans and Borrowings	-	46,875	140,625	4,212,500
Trade and Other Payables	-	773,643	10,072	-
Total	-	820,518	150,697	4,212,500

* This is a revolving cash advance facility which is repaid and redrawn typically every 3 months. The final expiry date of this facility is 1 July 2019.

As at 30 June 2016, joint venture company Northport Ltd had access to funding facilities totalling $45,000,000 (2015 - $42,000,000) of which a total sum of $8,550,000 remained undrawn at balance date . In addition, North Tugz Ltd (a joint venture of Northport Ltd) had access to funding facilities totalling $13,943,000 (2015 - $14,950,000) of which $250,000 was undrawn at balance date.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

Note 4

FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES (continued)

Credit Risk

Credit Risk arises from the financial assets of the Group, which comprises cash and cash equivalents, trade and other receivables, loans and 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.

Price Risk

Price risk arises from investments in equity securities as detailed in Note 21. 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.

Interest Rate Risk

The Group's exposure to the risk in changes in interest rates primarily stems from 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 2016 $	30 June 2015 $
Financial Liabilities		
Bank Loan	(4,195,000)	(3,650,000)

* 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 20). The Group regularly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative hedging positions and the mix of fixed and variable interest rates. At 30 June 2016 the Joint Venture entity Northport Ltd was party to fixed interest swap contracts with principal amounts totalling $42,500,000 (2015 - $57,000,000).

The following sensitivity analysis is based on the Company's exposure to unhedged interest rate risk (with all other variables held constant) as at the end of the reporting period. The analysis below depicts the impact on post tax profit.

+1.0% (100 Basis Points)		
Post Tax Profit - Higher (Lower)	(41,950)	(38,508)
-0.5% (50 Basis Points)		
Post Tax Profit - Higher (Lower)	20,975	18,942

Financial Instruments

The Group has the following categories of financial instruments:

Financial Assets at Fair Value Through Profit and Loss Designated on Initial Recognition		
Earn Out - North Port Coolstores (1989) Ltd	260,000	214,000
Other Investments	618,852	544,046
Loans and Receivables		
Cash and Deposit	139,845	200,594
Receivables	215,705	415,102
Loan - North Port Coolstores (1989) Ltd	–	237,500
Financial Liabilities at Amortised Cost		
Payables	(517,227)	(1,147,307)
Bank Loans	(4,195,000)	(3,650,000)

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

Note 5

OPERATIONAL EXPENSES

	30 June 2016 $	30 June 2015 $
Repairs & Maintenance	235,026	308,270
Employee Related Benefits	223,796	181,114
Farm Operating Expenses	95,812	98,417
Other Operational Expenses	172,038	165,652
	726,672	753,453

Of the above operational expenses, $544,662 (2015 - $566,977) is direct operating expenses (including repairs and maintenance) generating rental income and $182,010 (2015 - $186,476) is direct operating expenses (including repairs and maintenance) that did not generate rental income.

Note 6

LAND RATES & LEASE EXPENSES

Land Rates	423,321	417,787
Lease Expense	56,381	56,208
	479,702	473,995

Note 7

ADMINISTRATIVE EXPENSES

Directors' Fees	197,667	194,245
Auditor Remuneration - Audit Fees	66,010	81,065
- Other Fees *	5,490	10,505
Donations	4,167	3,671
Employee Related Benefits	463,220	367,987
Share Registry Expenses	71,275	72,562
Professional Fees (excl. Auditor Remuneration)	191,609	183,363
Other Administrative Expenses	252,498	238,740
	1,252,321	1,152,138

* This comprises fees associated with tax compliance and related advice.

Note 8

FINANCE COSTS

Interest on debts and borrowings	178,182	271,500

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

Note 9

DEPRECIATION EXPENSE

	30 June 2016 $	30 June 2015 $
Buildings & Amenities	65,725	69,264
Plant & Equipment	64,545	48,864
	130,270	118,128

Note 10

TAXATION EXPENSE

	30 June 2016 $	30 June 2015 $
Net Surplus Before Taxation	12,067,285	8,400,802
Prima Facie Tax at 28%	3,378,840	2,352,225
Adjusted for the Tax Effect of:		
Tax Paid Joint Venture Earnings	(116,406)	(51,837)
Imputed Dividend Receipts	(2,243,844)	(2,234,009)
Other Non-Assessable Income	(1,027,247)	(193,127)
Capitalised Interest Deducted For Tax Purposes	(10,655)	–
Non-Deductible Expenses	2,871	2,410
Carried Forward Losses Not Recognised	22,204	134,665
	5,763	10,327
Represented by:		
Current Taxation	3,646	7,845
Deferred Taxation	2,117	2,482
	5,763	10,327

Note 11

SHARE OF JOINT VENTURE COMPANIES' NET SURPLUS

	30 June 2016 $	30 June 2015 $
Northport Ltd (50% interest)		
Net Surplus before Taxation	11,294,358	10,911,399
Less Taxation	(2,864,895)	(2,747,669)
	8,429,463	8,163,730
Current period write back in respect of previous inter-entity asset sales	65,519	79,741
	8,494,982	8,243,471
Comprising:		
Dividends Received	8,013,728	7,978,600
Share of Retained Surplus for period	481,254	264,871
	8,494,982	8,243,471

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

Note 12

CASH & DEPOSITS

	30 June 2016 $	30 June 2015 $
Current Accounts	139,310	200,194
Call Deposits	135	–
Total Funds at Bank	139,445	200,194
Cash	400	400
As Per Statement of Cash Flows	139,845	200,594

Current account deposits held are non-interest bearing.

Note 13

RECEIVABLES & PREPAYMENTS

	30 June 2016 $	30 June 2015 $
Trade Receivables	162,552	251,606
Related Parties (Note 28(a))	38,615	46,031
GST Refund Due	5,357	97,014
Sundry Debtors	9,181	20,451
Accrued Rental	99,216	109,793
Prepayments	75,213	61,221
	390,134	586,116

Note 14

BANK LOANS

	30 June 2016 $	30 June 2015 $
BNZ Loan Facility	4,195,000	3,650,000

As at 30 June 2016 Marsden Maritime Holdings Ltd had a secured loan facility of $6,000,000 (2015: $6,000,000) with $4,195,000 (2015: $3,650,000) being drawn-down. The facility matures in July 2019.

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 paid during the year ranged from 3.39% to 4.59%.

The loan facility is secured by a first ranking mortgage over all of Marsden Maritime Holdings Ltd's land holdings and Marsden Cove Marina and a security interest in all present and after-acquired property.

Note 15

REVENUE IN ADVANCE

	30 June 2016 $	30 June 2015 $
Opening Balance	137,731	–
Marina Berth Licence Sales Proceeds	163,565	145,087
Recognition - Current Period	(31,288)	(7,356)
Closing Balance	270,008	137,731

Marina berth licences are sold giving the licensee a right to occupy a marina berth for a period that ranges from 5 to 20 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 2016

Note 16

PAYABLES

	30 June 2016 $	30 June 2015 $
Trade Creditors	170,326	749,322
Related Parties (Note 28(b))	65,201	24,856
Retentions	22,781	10,072
Other Payables	258,919	363,057
	517,227	1,147,307

Note 17

EARN OUT - NORTH PORT COOLSTORES (1989) LTD

Under the terms and conditions of the sale of the stakeholding in North Port Coolstores (1989) Ltd, the Company is entitled to receive additional annual payments based on the actual level of revenues derived by the coolstore business during the 5 year period ending 31 March 2019.

The future value of anticipated future receipts has been based on the assumption that revenues for each of the remaining 3 years will be 13% above the anticipated earn out threshold at the time of the sale. A discount rate of 15% has been applied to the anticipated future receipts based on the uncertainty of the level of revenue which will be earned.

Opening Balance	214,000	250,000
Earn Out Payment Received	(255,000)	(156,000)
Fair Value Adjustment	301,000	120,000
	260,000	214,000
Current Portion - due within the next 12 months	114,000	75,000
Non-Current Portion - due past the next 12 months	146,000	139,000
	260,000	214,000

Note 18

LOAN - NORTH PORT COOLSTORES (1989) LTD

The Company sold its 50% share in North Port Coolstores (1989) Ltd on 1 February 2014. The terms and conditions of sale included the provision of vendor finance amounting to $450,000 which was repayable in equal quarterly instalments over the five year term of this loan ending 31 December 2018 with provision for additional repayments. During the period, the outstanding loan amount was repaid in full.

Current Portion - due within the next 12 months	–	112,500
Non-Current Portion - due past the next 12 months	–	125,000
	–	237,500

Note 19

CONTRIBUTED EQUITY

(a) Share Capital

Opening / Closing Balance	14,688,144	14,688,144

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

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

	30 June 2016 No. Shares	30 June 2015 No. Shared
Opening / Closing Shares on Issue	41,300,651	41,300,651

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

Note 19

CONTRIBUTED EQUITY (continued)

(b) Earnings per Share

Earnings per share of 29.20 cents per share (2015 - 20.32 cents per share) has been calculated as the reported Net Surplus divided by the average number of fully paid shares (calculated on a daily basis) on issue during the period, comprising 41,300,651 shares (2015 - 41,300,651 shares). Diluted earnings per share has been calculated on the same basis.

(c) Dividends Paid

	30 June 2016 $	30 June 2015 $
During the financial year the following dividend payments were made:		
Final, 18/09/15 - 6.75 cents/share (19/09/14 - 6.25 cents)	2,787,794	2,581,291
Interim, 18/03/16 - 5.50 cents/share (20/03/15 - 5.25 cents)	2,271,537	2,168,284
	5,059,331	4,749,575

(d) Capital Management

When managing capital, management's 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.

Note 20

INVESTMENT IN JOINT VENTURE COMPANY

(a) Northport Ltd

200 shares - 50% holding (same shareholding as reported 30 June 2015)

Balance Date: 30 June

Main Activity: Port Operations

	30 June 2016 $	30 June 2015 $
Shares Subscribed for	20,000,000	20,000,000
Share of Accumulated Surplus to 30 June	12,311,896	11,896,162
Share of Hedging Reserve	(717,896)	(322,459)
Land Revaluation	15,555,549	15,272,507
Elimination re. inter-entity asset sales	(1,468,737)	(1,534,256)
Total Investment in Joint Venture Companies	45,680,812	45,311,954

Marsden Maritime Holdings Ltd has a 50% shareholding in the port at Marsden Point which trades as Northport Ltd (2015 - 50%), with Port of Tauranga Ltd holding the remaining 50%.

The current lease of the reclaimed land at Marsden Point, which is the land upon which Northport's Marsden Point facilities are sited, expired on 30 September 2011. In September 2011 the Minister of Conservation made a conditional decision to vest a leasehold interest in the Company. Negotiations continue with the Crown to secure a long term lease arrangement for this land but without prejudicing the Company's right to apply for freehold title in the future.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

Note 20

INVESTMENT IN JOINT VENTURE COMPANY (continued)

(b) Summary Financial Information	30 June 2016 $	30 June 2015 $
Cash & Cash Equivalents	320,973	319,926
Other Current Assets	4,390,627	4,643,531
Current Assets	4,711,600	4,963,457
Non-Current Assets	132,689,116	129,794,799
	137,400,716	134,758,256
Current Financial Liabilities (excluding trade and other payables)	24,747	898,091
Other Current Liabilities	4,657,463	4,725,865
Current Liabilities	4,682,210	5,623,956
Non-Current Financial Liabilities (excluding trade and other payables)	38,419,408	35,250,000
Other Non-Current Liabilities	–	191,882
Non-Current Liabilities	38,419,408	35,441,882
	43,101,618	41,065,838
Net Assets	94,299,098	93,692,418
Group Share of Net Assets 50%	47,149,549	46,846,209
Other Consolidated Adjustments	(1,468,737)	(1,534,255)
	45,680,812	45,311,954
Revenue	38,801,691	36,762,234
Depreciation and Amortisation	4,185,547	3,938,852
Interest Income	27,400	36,787
Interest Expense	1,858,160	2,039,107
Tax Expense	5,729,789	5,495,339
Net Surplus	16,858,926	16,327,459
Other Comprehensive Income	(224,792)	(2,011,577)
Total Comprehensive Income	16,634,134	14,315,882

Note 21

OTHER INVESTMENTS

	30 June 2016 $	30 June 2015 $
Fonterra Co-operative Group Ltd - Shares	618,852	544,046

As at 30 June 2016 the Group held 113,343 co-operative shares in Fonterra Co-operative Group Ltd having a disclosed fair value of $5.46 per share (2015 - total holding of 113,343 shares at of $4.80 per share).

Fair Value Movement in Other Investments	Shares Held	Disclosed Fair Value Per Share 30-Jun-16	30-Jun-15	Fair Value Movement	Prior Year Fair Value Movement
Fonterra Co-operative Group Ltd - Shares	113,343	5.46	4.80	74,806	(112,210)

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

Note 22

PROPERTY, PLANT & EQUIPMENT

	30 June 2016 $	30 June 2015 $
(a) Carrying Values		
Freehold Land		
At Valuation	17,106,000	17,106,000
Buildings & Amenities		
At Cost	2,497,427	2,435,286
Accumulated Depreciation	(755,760)	(690,034)
Carrying Value	1,741,667	1,745,252
Plant & Equipment		
At Cost	703,820	623,648
Accumulated Depreciation	(276,420)	(247,625)
Carrying Value	427,400	376,023
Capital Work in Progress	306,381	128,347
Total Carrying Value	19,581,448	19,355,622

(b) Revaluation of Freehold Land

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 2016 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 valuers Chris Seagar and Andrew Sowry of Seagar & Partners.

Significant unobservable valuation input:	30 June 2016 Range	30 June 2015 Range
Price per hectare	$100,000 to $187,500	$100,000 to $190,000

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

Note 22	30 June 2016 $	30 June 2015 $
PROPERTY, PLANT & EQUIPMENT (continued)		
(c) Reconciliation by Asset Class:		
Freehold Land		
Opening Book Value	17,106,000	27,050,000
Transferred from Capital Work in Progress	–	56,024
Revaluation to Reserves	–	(10,000,024)
Closing Carrying Value	17,106,000	17,106,000
Buildings & Amenities		
Opening Book Value	1,745,252	1,814,516
Additions	40,132	–
Transferred from Capital Work in Progress	22,008	–
Disposals	–	–
Depreciation	(65,725)	(69,264)
Closing Carrying Value	1,741,667	1,745,252
Plant & Equipment		
Opening Book Value	376,023	101,704
Additions	133,309	319,450
Transferred from Capital Work in Progress	–	4,400
Disposals	(17,387)	(667)
Depreciation	(64,545)	(48,864)
Closing Carrying Value	427,400	376,023
Capital Work in Progress		
Opening Book Value	128,347	60,848
Additions	205,488	128,347
Transferred to Buildings & Amenities	(22,008)	–
Transferred to Freehold Land and Plant & Equipment	–	(60,424)
Transferred to Investment Property	(773)	–
Reclassified to Profit & Loss	(4,673)	(424)
Closing Carrying Value	306,381	128,347
Total Closing Carrying Value	19,581,448	19,355,622

(d) Carrying value of Freehold Land if measured at cost

If Freehold Land were measured at cost less accumulated depreciation and impairment, the respective carrying amounts would be as follows:

At Cost	1,913,640	1,913,640
Accumulated Depreciation and Impairment	–	–
	1,913,640	1,913,640

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

Note 23 INVESTMENT PROPERTY	30 June 2016 $	30 June 2015 $
Opening Carrying Value	57,252,000	48,400,000
Additions		
Land Improvements	543,103	1,198,774
Purchase of Marsden Cove Marina and Commercial Complex	–	6,893,500
Other/Subsequent Improvements	3,014,922	148,650
Revaluation (recognised in profit and loss)	3,234,975	611,076
Closing Carrying Value	64,045,000	57,252,000

The Group's investment properties consist of freehold land and improvements situated adjacent to Northport, 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 2016, by Chris Seagar and Andrew Sowry of Seagar & Partners, industry specialists 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 amount at which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

	Valuation Technique	Significant Unobservable Inputs	30 June 2016 Range	30 June 2015 Range
Land and Improvements held for lease	DCF Method, Income Capitalisation and Direct Comparative Approach	Land Available for Lease Value per m^2 *	\$100 - \$120 per m^2	\$110 - \$120 per m^2
		Years to Full Tenancy	10 years	10 years
		Discount Rate	9%	9%
		Capitalisation Rate	6% - 9%	7% - 8%
		Exit Yield at 10 years	8%	8%
Marsden Cove Marina	DCF Method	Berth Licence Sell Down Rate p.a.	5% - 15%	5% - 15%
		Discount Rate	11.50%	11.50%
Marsden Cove Commercial Complex	DCF Method	Annual Rental Cash Flow	\$167,000 - \$198,000	\$157,000 - \$187,000
		Exit Yield at 10 years	7.75%	8%
		Discount Rate	8.75%	10%

* Excludes undeveloped land and land designated for a transport corridor which has a value range of \$35 to \$110 per m^2 (2015 - \$35 to \$110 per m^2).

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.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

Note 24

DEFERRED TAX ASSET

	30 June 2016 $	30 June 2015 $
Opening Balance	6,504	8,986
Items Charged to Profit & Loss	(2,117)	(2,482)
Closing Balance	4,387	6,504
Represented by:		
Investment Property	(659,492)	(492,856)
Property, Plant and Equipment	22,387	14,799
Provisions	5,300	4,929
	(631,805)	(473,128)
Less Deferred Tax re inter-entity asset sales	4,387	6,504
Deferred Tax Liability	(627,418)	(466,624)
Deferred Tax Asset (tax effect of losses carried forward)	631,805	473,128
Net Deferred Tax Asset	4,387	6,504

The Group has tax losses carried forward amounting to $5,842,621 of which the tax effect is $1,635,934 (2015 - losses $5,309,361, tax effect $1,486,621) available for offset against future assessable income of which a portion is recognised above (refer to Note 3).

Note 25

SEGMENT REPORTING

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.
- 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 as detailed in Note 2 have been consistently applied.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

Note 25
SEGMENT REPORTING (continued)

	30 JUNE 2016				
	Port Related Operations $	Property Holdings $	Marina & Commercial $	Other Activities $	TOTAL $
Revenue					
Rents and Leases	–	1,403,690	853,033	–	2,256,723
Share of Joint Venture Company's Net Surplus	8,494,982	–	–	–	8,494,982
Revenue from Goods Sold	–	–	813,826	–	813,826
Farming Revenue	–	174,244	–	–	174,244
Interest Income	–	–	–	15,332	15,332
Dividends	–	51,004	–	–	51,004
Other	–	18,956	94,057	20,750	133,763
Total Segmental Revenue	8,494,982	1,647,894	1,760,916	36,082	11,939,874
Inter Segmental Transactions	162,102	(162,102)	–	–	–
Net Segmental Revenue	8,657,084	1,485,792	1,760,916	36,082	11,939,874
Expenditure					
Operational Expenses	–	233,595	457,433	35,644	726,672
Cost of Goods Sold	–	–	714,010	–	714,010
Land Rates & Lease Expenses	–	418,372	57,322	4,008	479,702
Administrative Expenses	–	127,175	116,455	1,008,691	1,252,321
Finance Costs*	–	–	–	178,182	178,182
Depreciation Expense	–	36,859	32,057	61,354	130,270
Total Expenditure	–	816,001	1,377,277	1,287,879	3,481,157
Trading Surplus	8,657,084	669,791	383,639	(1,251,797)	8,458,717
Gain (Loss) on Sale of Property, Plant & Equipment	–	–	–	(2,213)	(2,213)
Gain (Loss) on Sale of Other Investments	–	–	–	–	–
Revaluation of Investment Property	–	2,572,343	662,632	–	3,234,975
Fair Value Movements	–	74,806	–	301,000	375,806
Operating Surplus (Deficit) Before Taxation	8,657,084	3,316,940	1,046,271	(953,010)	12,067,285
Taxation Expense	2,117	–	–	3,646	5,763
NET SURPLUS (DEFICIT) AFTER TAXATION	8,654,967	3,316,940	1,046,271	(956,656)	12,061,522
Other Comprehensive Income					
Cash Flow Hedges - Gain (Loss) taken to Reserves (Northport)	(549,219)	–	–	–	(549,219)
Income Tax relating to items of Other Comprehensive Income (Northport)	153,782	–	–	–	153,782
Revaluation of Land Holdings	–	–	–	–	–
Share of Net Change in Revaluation Reserve (Northport)	283,041	–	–	–	283,041
Other Comprehensive Income for Year	(112,396)	–	–	–	(112,396)
TOTAL COMPREHENSIVE INCOME (per Statement of Comprehensive Income)	8,542,571	3,316,940	1,046,271	(956,656)	11,949,126

* 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 2016

Note 25

SEGMENT REPORTING (continued)

	30 JUNE 2015				
	Port Related Operations $	Property Holdings $	Marina & Commercial $	Other Activities $	TOTAL $
Revenue					
Rents and Leases	–	1,064,550	717,542	–	1,782,092
Share of Joint Venture Company's Net Surplus	8,243,471	–	–	–	8,243,471
Revenue from Goods Sold	–	–	250,137	–	250,137
Farming Revenue	–	328,631	–	–	328,631
Interest Income	–	–	–	40,826	40,826
Dividends	–	17,148	–	–	17,148
Other	–	56,580	31,465	20,000	108,045
Total Segmental Revenue	**8,243,471**	**1,466,909**	**999,144**	**60,826**	**10,770,350**
Inter Segmental Transactions	148,419	(148,419)	–	–	–
Net Segmental Revenue	**8,391,890**	**1,318,490**	**999,144**	**60,826**	**10,770,350**
Expenditure					
Operational Expenses	–	240,589	481,965	30,899	753,453
Cost of Goods Sold	–	–	220,151	–	220,151
Land Rates & Lease Expenses	–	411,270	57,581	5,144	473,995
Administrative Expenses	–	93,059	87,824	971,255	1,152,138
Finance Costs*	–	–	–	271,500	271,500
Depreciation Expense	–	40,397	17,987	59,744	118,128
Total Expenditure	**–**	**785,315**	**865,508**	**1,338,542**	**2,989,365**
Trading Surplus	**8,391,890**	**533,175**	**133,636**	**(1,277,716)**	**7,780,985**
Gain (Loss) on Sale of Property, Plant & Equipment	–	–	–	1,072	1,072
Gain (Loss) on Sale of Other Investments	–	–	–	(121)	(121)
Revaluation of Investment Property	–	(67,655)	678,731	–	611,076
Fair Value Movements	–	(112,210)	–	120,000	7,790
Operating Surplus (Deficit) Before Taxation	**8,391,890**	**353,310**	**812,367**	**(1,156,765)**	**8,400,802**
Taxation Expense	2,482	–	–	7,845	10,327
NET SURPLUS (DEFICIT) AFTER TAXATION	**8,389,408**	**353,310**	**812,367**	**(1,164,610)**	**8,390,475**
Other Comprehensive Income					
Cash Flow Hedges - Gain (Loss) taken to Reserves (Northport)	(373,083)	–	–	–	(373,083)
Income Tax relating to items of Other Comprehensive Income (Northport)	104,463	–	–	–	104,463
Revaluation of Land Holdings	–	(10,000,024)	–	–	(10,000,024)
Share of Net Change in Revaluation Reserve (Northport)	(737,167)	–	–	–	(737,167)
Other Comprehensive Income for Year	**(1,005,787)**	**(10,000,024)**	**–**	**–**	**(11,005,811)**
TOTAL COMPREHENSIVE INCOME	**7,383,621**	**(9,646,714)**	**812,367**	**(1,164,610)**	**(2,615,336)**
(per Statement of Comprehensive Income)					

* 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 2016

Note 25

SEGMENT REPORTING (continued)

	30 JUNE 2016				
	Port Related Operations $	Property Holdings $	Marina & Commercial $	Other Activities $	TOTAL $
ASSETS					
Non-Current Assets					
Property, Plant & Equipment	–	17,709,888	604,460	1,267,100	19,581,448
Investment Property	–	55,700,000	8,345,000	–	64,045,000
Investment in Joint Venture Company	45,680,812	–	–	–	45,680,812
Other Investments	–	618,852	–	–	618,852
Loan - North Port Coolstores (1989) Ltd (Non Current Portion)	–	–	–	–	–
Earn Out - North Port Coolstores (1989) Ltd (Non Current Portion)	–	–	–	146,000	146,000
Deferred Tax Asset	4,387	–	–	–	4,387
	45,685,199	74,028,740	8,949,460	1,413,100	130,076,499
Current Assets					
Cash & Deposits	–	–	55,872	83,973	139,845
Receivables & Prepayments	–	217,929	144,921	27,284	390,134
Inventory	–	–	34,715	–	34,715
Loan - North Port Coolstores (1989) Ltd (Current Portion)	–	–	–	–	–
Earn Out - North Port Coolstores (1989) Ltd (Current Portion)	–	–	–	114,000	114,000
Taxation Refundable	–	–	–	–	–
	–	217,929	235,508	225,257	678,694
Total Segmental Assets	45,685,199	74,246,669	9,184,968	1,638,357	130,755,193
Total Assets as reported in Consolidated Balance Sheet					130,755,193
Non-Current Liabilities					
Bank Loans	–	–	–	4,195,000	4,195,000
Revenue in Advance	–	–	270,008	–	270,008
	–	–	270,008	4,195,000	4,465,008
Current Liabilities					
Payables	–	189,802	164,776	162,649	517,227
	–	189,802	164,776	162,649	517,227
Total Segmental Liabilities	–	189,802	434,784	4,357,649	4,982,235
Total Liabilities as reported in Consolidated Balance Sheet					4,982,235
Net Segmental Assets (Liabilities)	45,685,199	74,056,867	8,750,184	(2,719,292)	125,772,958
Non-Current Asset Additions:					
Property, Plant & Equipment	–	33,538	263,731	81,660	378,929
Investment Property	–	3,533,657	24,368	–	3,558,025

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

Note 25 SEGMENT REPORTING (continued)	30 JUNE 2015 Port Related Operations $	Property Holdings $	Marina & Commercial $	Other Activities $	TOTAL $
ASSETS					
Non-Current Assets					
Property, Plant & Equipment	–	17,741,579	377,679	1,236,364	19,355,622
Investment Property	–	49,594,000	7,658,000	–	57,252,000
Investment in Joint Venture Company	45,311,954	–	–	–	45,311,954
Other Investments	–	544,046	–	–	544,046
Loan - North Port Coolstores (1989) Ltd (Non Current Portion)	–	–	–	125,000	125,000
Earn Out - North Port Coolstores (1989) Ltd (Non Current Portion)	–	–	–	139,000	139,000
Deferred Tax Asset	6,504	–	–	–	6,504
	45,318,458	67,879,625	8,035,679	1,500,364	122,734,126
Current Assets					
Cash & Deposits	–	–	60,681	139,913	200,594
Receivables & Prepayments	–	345,060	63,089	177,967	586,116
Inventory	–	–	41,634	–	41,634
Loan - North Port Coolstores (1989) Ltd (Current Portion)	–	–	–	112,500	112,500
Earn Out - North Port Coolstores (1989) Ltd (Current Portion)	–	–	–	75,000	75,000
Taxation Refundable	–	–	–	68,231	68,231
	–	345,060	165,404	573,611	1,084,075
Total Segmental Assets	45,318,458	68,224,685	8,201,083	2,073,975	123,818,201
Total Assets as reported in Consolidated Balance Sheet					123,818,201
Non-Current Liabilities					
Bank Loans	–	–	–	3,650,000	3,650,000
Revenue in Advance	–	–	137,731	–	137,731
	–	–	137,731	3,650,000	3,787,731
Current Liabilities					
Payables	–	807,594	237,123	102,590	1,147,307
	–	807,594	237,123	102,590	1,147,307
Total Segmental Liabilities	–	807,594	374,854	3,752,590	4,935,038
Total Liabilities as reported in Consolidated Balance Sheet					4,935,038
Net Segmental Assets (Liabilities)	45,318,458	67,417,091	7,826,229	(1,678,615)	118,883,163
Non-Current Asset Additions:					
Property, Plant & Equipment	–	32,556	396,334	18,907	447,797
Investment Property	–	1,261,655	6,979,269	–	8,240,924

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

Note 26

IMPUTATION CREDITS

	30 June 2016 $	30 June 2015 $
Amount of Imputation Credits available for use in subsequent reporting periods at Balance Date:		
– available for use by the Company	7,259,001	5,390,034
– through indirect interest in joint venture (Northport)	4,545,699	3,908,030
	11,804,700	9,298,064

Note 27

OPERATING LEASE COMMITMENTS

The following future minimum rentals receivable as a lessor existed at year end:		
Less than 1 year	1,797,893	1,286,823
Between 1 - 5 years	5,565,759	4,231,822
Over 5 years	9,249,157	7,548,331
	16,612,809	13,066,976

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 32 years. All leases include a clause to enable upward revision of the rental charge on contractual rent review dates according to prevailing market conditions.

Note 28

RELATED PARTY DISCLOSURE

Related party transactions are undertaken on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year-end are unsecured and interest free and settlement occurs in cash. The Company transacted with 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 2016, received dividends amounting to $8,013,728 (2015 - $7,978,600) 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 not-for-profit company 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 declared dividend payments totalling $2,712,506 (2015: $2,546,434).

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.

Chairman, Sir John Goulter, is also Chairman of joint venture company Northport Ltd from which he received directors fees of $40,000 in respect of this role.

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 $591,387 (2015 - $510,766) comprising directors' fees $197,667 (2015 - $194,245), salaries $309,000 (2015 - $295,500), management bonuses $58,000 (2015 - Nil) and associated benefits $26,720 (2015 - $21,021).

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

Note 28 RELATED PARTY DISCLOSURE (continued)	30 June 2016 $	30 June 2015 $
(a) Related Party Receivables		
Northport Ltd	1,917	46,031
Marsden Cove Canals Management Ltd	36,698	–
	38,615	46,031
(b) Related Party Payables		
Northport Ltd	4,092	9,601
Northland Regional Council	803	1,501
Huria Anders Ltd (S Huria)	2,976	226
Marsden Cove Canals Management Ltd	57,330	–
Packard House Ltd (J Goulter)	–	10,845
Keys Property Consultancy (D Keys)	–	2,683
	65,201	24,856
(c) Related Party Transactions		
Northport Ltd		
Services provided by Marsden Maritime Holdings Ltd	86,160	106,204
Lease provided by Marsden Maritime Holdings Ltd	324,204	291,364
Services provided to Marsden Maritime Holdings Ltd	113,462	78,632
Services provided to North Tugz Ltd	208,257	206,656
Services provided to Northland Regional Council	17,936	17,751
North Tugz Ltd		
Asset sales to Marsden Maritime Holdings Ltd	–	12,000
Services provided to Northland Regional Council	30,000	–
Services provided to Northport Ltd	5,144,776	4,624,772
Northland Regional Council		
Services provided to Marsden Maritime Holdings Ltd	38,380	38,255
Services provided to Northport Ltd	125,245	124,879
Marsden Cove Canals Management Ltd		
Levies charged to Marsden Maritime Holdings Ltd	49,852	122,614
Services provided by Marsden Maritime Holdings Ltd	59,000	–
Directors of Marsden Maritime Holdings Ltd		
Services provided to Marsden Maritime Holdings Ltd	197,667	194,245
Services provided to Northport Ltd	40,000	40,000

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

Note 29

NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Group applied, for the first time, certain standards and amendments that require additional disclosures in the financial statements. However, they do not materially impact the annual financial statements of the Group.

RECENT NZ IFRS PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE

The Group has not applied the following NZ IFRS's and NZ IAS's that have been issued but are not yet effective:

	* Application Date of Standard	* Application Date for Group
NZ IFRS 5, NZ IFRS 7, NZ IAS 19, NZ IAS 34 Annual Improvements to NZ IFRS's 2012-14 Cycle	1-Jan-16	1-Jul-16
NZ IFRS 10, NZ IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1-Jan-16	1-Jul-16
NZ IFRS 10, NZ IFRS 12, NZ IAS 28 Investment Entities: Applying the Consolidation Exception	1-Jan-16	1-Jul-16
NZ IFRS 11 Accounting for Acquisitions in Joint Operations	1-Jan-16	1-Jul-16
NZ IAS 1 Disclosure Initiative	1-Jan-16	1-Jul-16
NZ IAS 16 and NZ IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation	1-Jan-16	1-Jul-16
NZ IAS 7 Disclosure Initiatives Amendment	1-Jan-17	1-Jul-17
NZ IFRS 15 Revenue from Contracts with Customers	1-Jan-18	1-Jul-18
NZ IFRS 9 Financial Instruments	1-Jan-18	1-Jul-18

* designates the beginning of the applicable annual reporting period

The Group expects that adoption of the pronouncements listed above will not have a material impact on the Group's financial statements in the period of initial application, other than by way of additional disclosure. All other standards that have been issued but are not yet effective do not apply to the activities of the Group.

Note 30

BUSINESS COMBINATION

On 1 July 2014 the Company acquired the assets of the Marsden Cove Marina and adjoining commercial complex. The transaction covered freehold title to a 6.2 hectare area comprising a 4.5 hectare marina and 1.7 hectares of land and infrastructure adjacent to the Company's existing land holdings at Marsden Point.

Refer to segmental reporting (Note 25) for information regarding the financial performance of the marina complex subsequent to acquisition.

	30 June 2016 $	30 June 2015 $
Consideration transferred		
Cash	–	6,925,968
Total Consideration transferred	–	6,925,968
Fair value of identifiable assets and liabilities acquired		
Marina and Commercial Complex (classified as investment property)	–	6,893,500
Plant and Equipment	–	38,000
Employee Liabilities	–	(5,532)
	–	6,925,968

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2016

Note 31

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 2015 - $75,000) Bond given by them to the New Zealand Stock Exchange.
- To the Whangarei District Council in respect of postponed land rates on Company owned farmland in accordance with the Council's previous postponed rates policy - $137,400 (June 2015 - $200,898). This amount becomes payable immediately if the said land ceases to be farmland, is subdivided or is sold.

Note 32

CAPITAL COMMITMENTS

Commitments for capital expenditure at 30 June 2016 amounted to $580,360 (June 2015 - Nil) in respect to the construction of additional commercial units at the Marsden Cove marina complex. The Group's share of committed capital expenditure in respect of its Joint Venture interests amounted to $1,394,295 as at 30 June 2016 (June 2015 - $471,940).

Note 33

SUBSEQUENT EVENTS

Dividends

Joint Venture company Northport declared a fully imputed ordinary dividend of $24,147 per share with payment to be made 29 August 2016.

Subsequent to balance date, the Board of Marsden Maritime Holdings Ltd declared a fully imputed ordinary dividend of 7.75 cents per share with payment to be made 16 September 2016.

Analysis of Shareholdings

Top 20 Shareholders as at 30 June 2016	No. of Shares	Percentage
1. Northland Regional Council	22,142,907	53.61%
2. Ports of Auckland Ltd	8,218,829	19.89%
3. MFL Mutual Fund Ltd – a/c NZCSD	1,487,442	3.60%
4. Michael Walter Daniel & Nigel Geoffrey Ledgard Burton & Michael Murray Benjamin	750,000	1.81%
5. Accident Compensation Corporation – a/c NZCSD	483,163	1.16%
6. M A Janssen Ltd	430,833	1.04%
7. National Nominees New Zealand Ltd – a/c NZCSD	353,306	0.85%
8. BT NZ Unit Trust Nominees Ltd – a/c NZCSD	292,970	0.70%
9. Masfen Securities Ltd	283,906	0.68%
10. Citibank Nominees (New Zealand) Ltd – a/c NZCSD	229,630	0.55%
11. Fraser Bloomfield Hardie & James William Bloomfield Hardie & Pamela Joan Hardie	205,000	0.49%
12. Kenneth James Titford	160,000	0.38%
13. Lynn Landmark Zingel	139,182	0.33%
14. Neil Stuart Campbell	130,000	0.31%
15. Kennedy Westland Garland	115,000	0.27%
16. Howard Cedric Zingel	107,928	0.26%
17. Jonathan Brian Michell	100,000	0.24%
18. Christopher Robert Malcolm & Helen Ann Malcolm	99,790	0.24%
19. BNP Paribas Nominees (NZ) Ltd	93,200	0.22%
20. FNZ Custodians Limited	91,600	0.22%

Substantial Security Holders

The Company has 41,300,651 issued voting securities. Northland Regional Council and Ports of Auckland Ltd 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	310	24.37%	135,322	0.33%
1,000 - 4,999	625	49.14%	1,343,466	3.25%
5,000 - 9,999	163	12.81%	1,008,428	2.44%
10,000 - 99,999	157	12.34%	3,183,339	7.71%
100,000 and over	17	1.34%	35,630,096	86.27%
	1,272	100.00%	41,300,651	100.00%

Domicile	Number of Shareholders		Shares Held	
Northland	394	30.97%	24,571,937	59.49%
Auckland	444	34.91%	13,317,517	32.25%
Balance of New Zealand	406	31.92%	2,729,824	6.61%
Overseas	28	2.20%	681,373	1.65%
	1,272	100.00%	41,300,651	100.00%

Directory

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Bank of New Zealand

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Mark Bogle
Peter Griffiths
Susan Huria
Murray Jagger
Elena Trout

Management
Graham Wallace
Chief Executive
Telephone 09 432 5051 (Direct)

Gavin Carroll
Financial Controller
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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*

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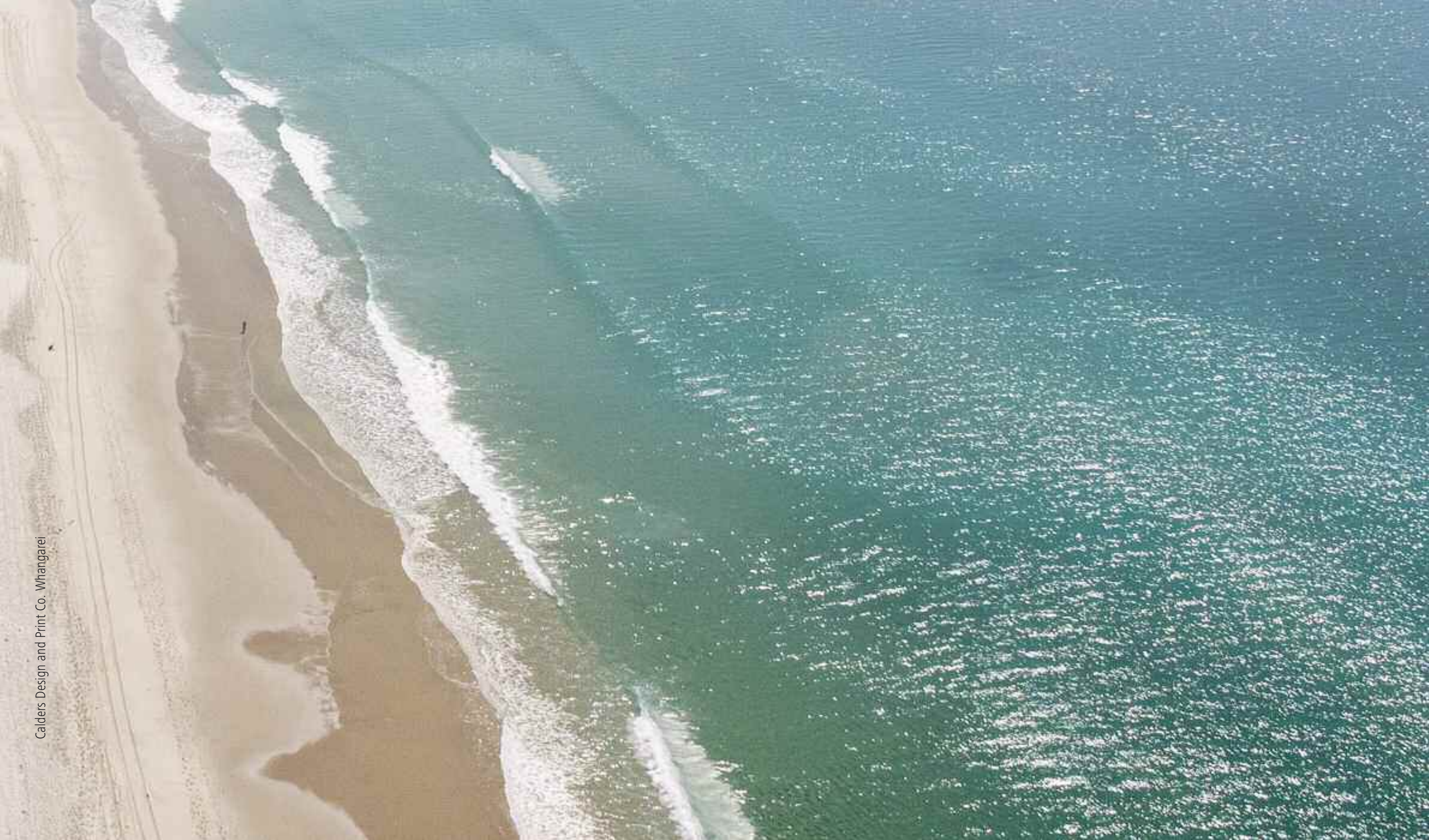

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