



PORTDENARAUMARINA



**2023**  
ANNUAL REPORT

[denaraumarina.com](http://denaraumarina.com)

## OUR VISION

“To be the leading marina facility in the Pacific, providing exceptional customer service with safe and healthy facilities; ensuring the enhancement of Fiji’s nautical tourism industry while protecting our distinct marine environment for future generations.”

## OUR MISSION

“People working together, enthusiastically as a team, to make our Marina a success. We want all staff to be active, enthusiastic members of the team. We feel a personal responsibility for the welfare of all our people. As the Marina prospers, the individual should prosper.”

The goodwill which we have built as an organization within the community is not only based on our reputation for high quality, honesty, fair practices, and superior services, but also on the promptness, courtesy, and consideration which all of us show by our daily actions. Therefore, it is important that each of us continue to build this goodwill through prompt, efficient, and courteous attention to visitors, boaters, the public, fellow employees, telephone calls, and correspondence we have with others.”

## OUR GOALS

1. Train and Empower Staff.
2. Promote Fiji and the Pacific.
3. Educate on safe and sustainable boating.
4. Be at the forefront of technological advances.
5. Provide safe and secure facility.
6. Act in the best interest of Marina’s owners and all Fijians.

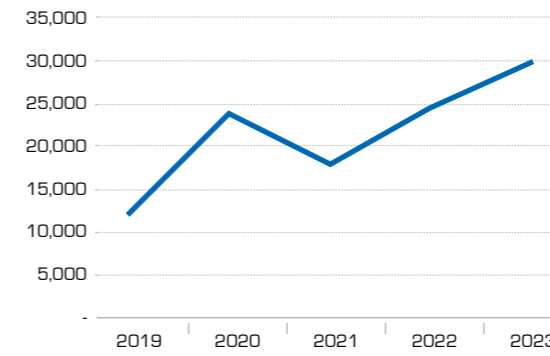
## CONTENTS

2023 SNAPSHOT	2
SUMMARY OF KEY FINANCIALS	4
COMPANY PROFILE	5
BUSINESS SEGMENTS OVERVIEW	6
DIRECTORY	7
CHAIRMAN'S REPORT	8
CEO'S REPORT	10
OUR VISIONARY BOARD	12
OUR MANAGEMENT TEAM	13
CORPORATE GOVERNANCE	14
COMMUNITY ENGAGEMENT	17
HIGHLIGHTS OF THE YEAR	18
TRAINING & DEVELOPMENT	22
ENVIRONMENT	23
EDUCATIONAL OUTREACH	24
FINANCIALS	25
ADDITIONAL INFORMATION	59
NOTICE OF ANNUAL GENERAL MEETING	62

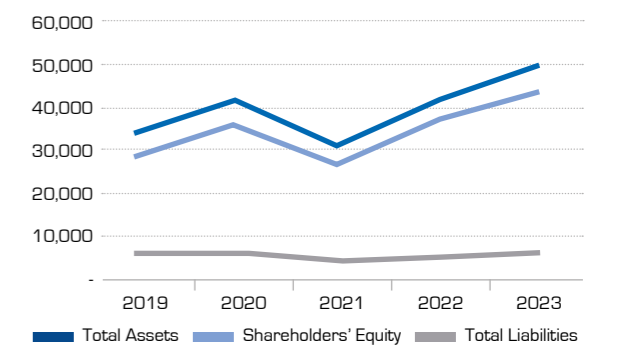
## 2023 snapshot (\$000's)

	2023	2022	2021	2020	2019
Revenue	8,587	4,108	2,074	4,492	6,434
Other Income	241	385	510	2,231	4,160
<b>Total Revenue</b>	<b>8,828</b>	<b>4,493</b>	<b>2,584</b>	<b>6,723</b>	<b>10,594</b>
Sales and Marketing	(98)	(13)	(34)	(39)	(113)
Depreciation	(725)	(730)	(909)	(732)	(1,569)
Operating Costs	(2,606)	(1,964)	(2,132)	(2,750)	(3,229)
Employee emoluments & benefits	(937)	(765)	(609)	(694)	(675)
<b>Operating profit</b>	<b>4,462</b>	<b>1,021</b>	<b>(1,100)</b>	<b>2,508</b>	<b>5,008</b>
Finance costs	(61)	(79)	(77)	(88)	(331)
Change in fair value of investment properties	3,773	5,407	(5,156)	3,541	-
<b>Profit before income tax</b>	<b>8,174</b>	<b>6,350</b>	<b>(6,333)</b>	<b>5,961</b>	<b>4,677</b>
Income tax expense	(1,541)	(118)	508	189	(685)
<b>Net Profit after tax</b>	<b>6,633</b>	<b>6,232</b>	<b>(5,825)</b>	<b>6,149</b>	<b>3,992</b>
Other comprehensive (loss)/income	1,607	3,642	(3,356)	2,776	-
<b>Total comprehensive income/(loss) - net of tax</b>	<b>8,240</b>	<b>9,874</b>	<b>(9,180)</b>	<b>8,925</b>	<b>3,992</b>

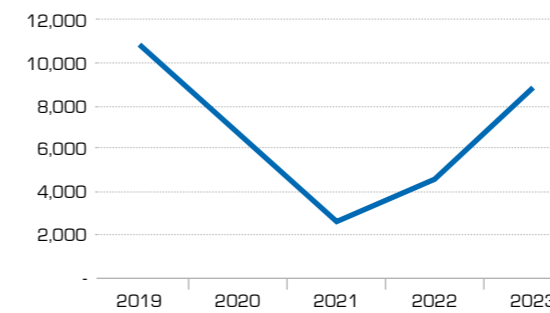
Retained Earnings (\$000's)



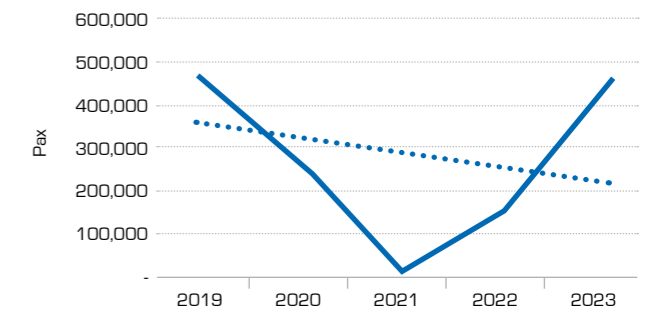
Financial Position (\$000's)



Total Revenue (\$000's)

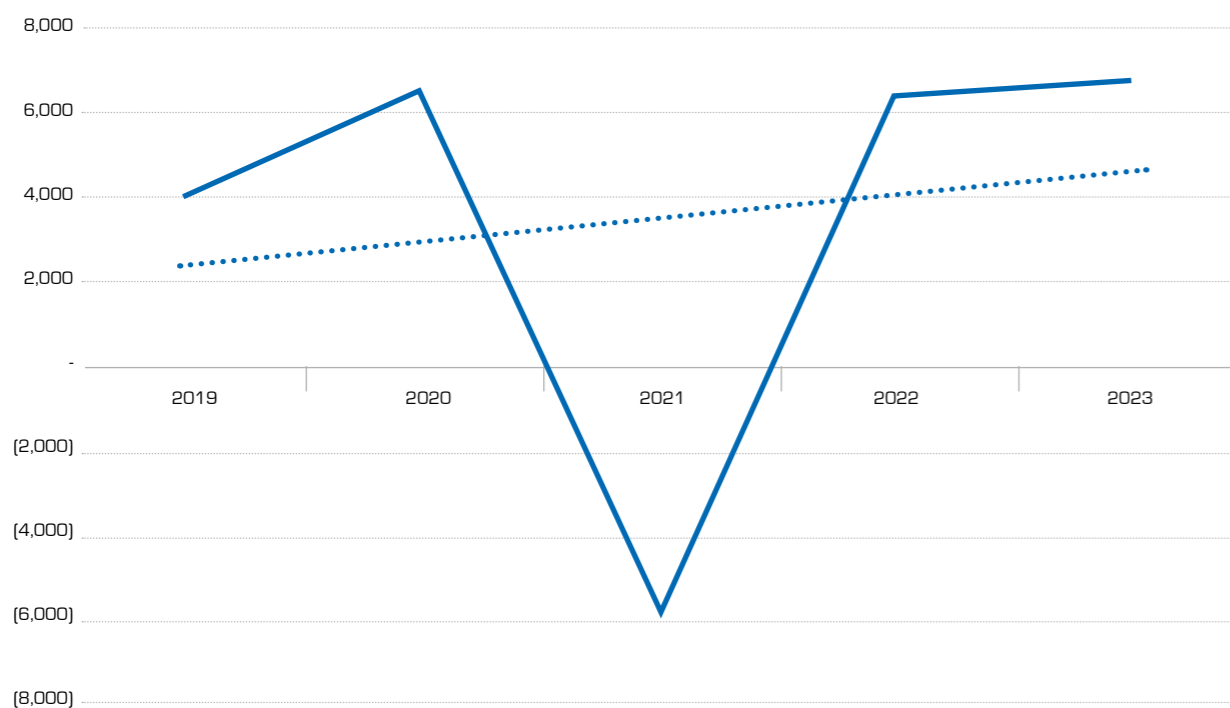


Commercial Passenger Numbers

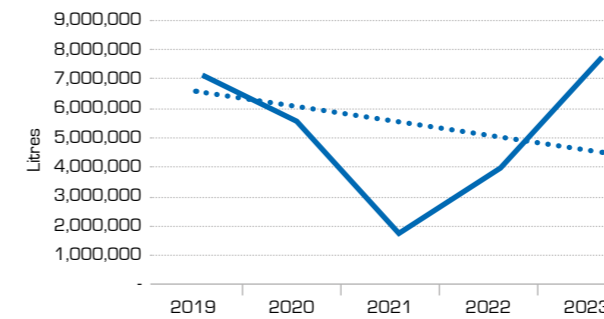


## Operational Performances

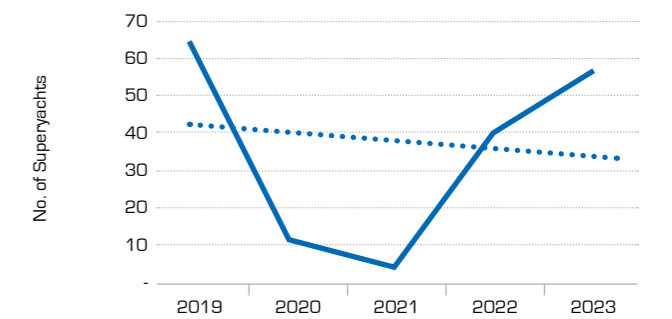
Net Profit After Tax (\$000's)



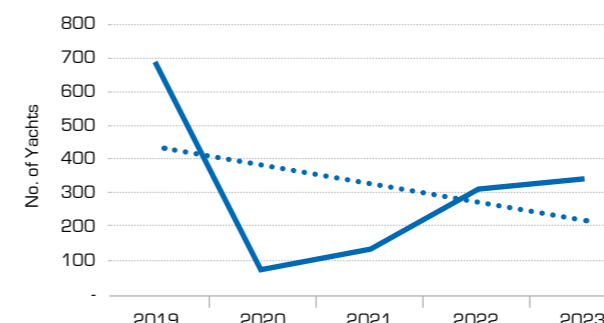
Annual Fuel Sales



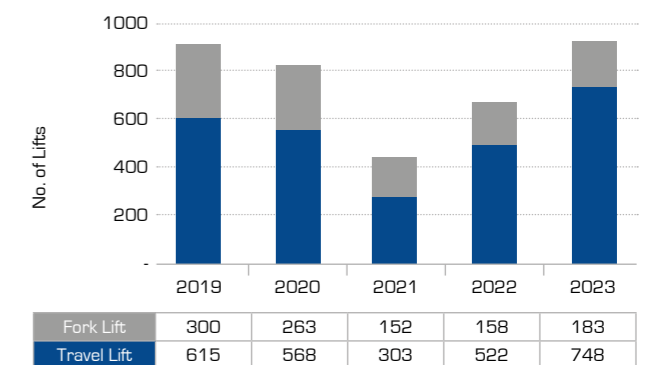
Superyacht Arrivals



Yacht (< 80 ft) Arrivals



Travel Lift & Fork Lift Usage



## Summary of Key Financials (\$000's)

	2023	2022	2021	2020	2019
Net Profit / (Loss) after Tax	6,633	6,232	(5,825)	6,149	3,992
Current Assets	5,073	4,240	1,550	1,580	1,734
Non - Current Assets	44,257	36,798	28,773	38,999	31,816
Total Assets	49,330	41,038	30,323	40,579	33,549
Current Liabilities	641	1,474	967	1,023	2,254
Non - Current Liabilities	4,973	2,941	2,607	3,627	3,092
Total Liabilities	5,615	4,415	3,574	4,650	5,346
Shareholders' Equity	43,716	36,623	26,750	35,930	28,203
Retained Earnings	29,715	24,230	17,998	23,823	11,770

## Company Profile

Established in 1999, Port Denarau Marina Limited (PDM) has evolved from modest beginnings into a world-class, multi-use marina facility. Nestled on Denarau Island, a mere 20-minute drive from Nadi International Airport, PDM stands as Fiji's premier Superyacht marina revered both nationally and internationally. As a Port of Entry and a publicly listed company on the South Pacific Stock Exchange, PDM plays a pivotal role in Fiji's maritime landscape.

Port Denarau Marina is strategically located on Denarau Island, serving at the core of Fiji's largest integrated island. The island boasts nine high-end resorts, an internationally acclaimed 18-hole golf course, and 300+ private residences. Linked to Viti Levu, Fiji's largest island, by a causeway, Denarau Island serves as a gateway to the picturesque tropical isles along Fiji's West Coast.

PDM not only provides top-notch marina facilities but also leverages its location as a central hub for ferries and private craft traveling to and from other island resorts and is the gateway to the Mamanuca and Yasawa Islands. The Commercial and Retail Centre, the area's largest complex, offers a comprehensive range of services from medical facilities to beauty salons. Numerous restaurants and bars await visitors after their day's adventures. The center is also a host to regular entertainment, including local cultural events and live music. The Denarau Yacht Club, located in Sails Restaurant, organizes various crew events throughout the season.

### Accolades and Recognitions:

PDM's commitment to excellence has earned it an array of national and international accolades, including:

- Gold Anchor and Superyacht Ready status from The Yacht Harbour Association (TYHA).
- Marina Industries Association (MIA) Industry Innovation (2023) - Highly Commended
- ANZ Fiji Excellence in Tourism Awards (FETA) Dixon Seeto Tourism Leader Award (2023)
- ANZ Fiji Excellence in Tourism Awards (2022) Silver - Support to Industry
- Best Marina Facility - Fiji at Nautical Tourism Awards (2022) by LUXlife
- MIA Level 3 Clean Marina & Fish Friendly Accreditation (2020 - 2023)
- Finalist in the ACREW Superyacht Business Awards (2020) for Best Superyacht Marina in the Australasia Category
- MIA Hall of Fame (2019)
- Winner of ANZ Fiji Excellence in Tourism Award (2018) for "Specialized Tourism Services and Support to Industry"
- MIA Level 3 Clean Marina & Fish Friendly Accreditation (2017 - 2020)
- Winner of MIA Best Community Support Award (2017/2018)
- Finalist MIA Innovation by a Marina (2017/2018)
- MIA International Marina of the Year Award (2017/2018)
- MIA International Marina of the Year (2015-2018)
- Finalist ANZ Fiji Excellence in Tourism Awards (2016 and 2017) for "Specialized Tourism & Support to Industry"
- Winner of ANZ Fiji Excellence in Tourism Awards (2015) for "Services and Support to Industry"

PDM takes pride in contributing to the local economy by providing employment opportunities to the community. With a current workforce of 22 employees, the marina generates direct and indirect employment for thousands in marine-related businesses within the property.

As a beacon of maritime excellence in Fiji, Port Denarau Marina Limited continues to raise the bar in delivering exceptional services, fostering community engagement, and promoting sustainable practices in the maritime industry.



## Business Segments Overview

Port Denarau Marina Limited serves as a diverse and integrated berthing facility, catering to the dynamic maritime tourism market. The company operates as both owner and lessor of assets directly related to its core business activities, functioning as a prominent landlord within the maritime industry. The marina's operations are strategically segmented into the following distinct areas:

### Commercial Vessel and Passenger Operations:

Positioned as a gateway to the picturesque Mamanuca and Yasawa Islands, Port Denarau Marina offers an optimal locale for commercial berthing services. This segment encompasses a wide spectrum of maritime activities, including ferry services, day trips, game fishing, scuba diving, dinner cruises, private charters, and luxury charters, as well as welcoming both local and foreign cruise ships. The marina acts as a hub for diverse commercial maritime experiences.

### Fuelling Facilities and Contracts:

Distinguishing itself in the industry, Port Denarau Marina Limited stands as the exclusive marina offering high-speed reticulated diesel transfers to berthed Superyachts. The provision of fuel on the dock extends to encompass commercial vessels, supported by a dedicated fuel dock catering to smaller crafts.

### Haul Out and Boatyard:

The marina's comprehensive haul-out facility is equipped to provide an extensive array of services. Boasting a 30-tonne travelift, a 6-ton marina bull forklift, as well as forklift services, the boatyard segment supports a wide range of maritime needs. The facility includes a hardstand area, marine workshops, both short and long-term boat storage options, dry stack facilities, and comprehensive marine workshop services.

### Private Yachting Tourism and Superyacht Berthing:

Elevating Fiji's international standing, Port Denarau Marina stands as the nation's preeminent marina, securing recognition both domestically and abroad. This segment specifically caters to cruising yachting tourists, solidifying its role as Fiji's exclusive Superyacht marina. The marina's transient dock comprises 56 berths, accommodating vessels spanning from 15 to 85 meters in Length Overall (LOA). The marina offers complete bathroom and laundry amenities for visiting yachts, all accessible through a 24-hour card access system. Essential amenities, including a 2MB Wi-Fi internet connection, power, water, and fuelling facilities, are readily available. Security needs are met through a comprehensive CCTV system, complemented by a responsive on-site mobile team available 24/7.

Port Denarau Marina Limited is dedicated to serving the maritime tourism industry through its diverse and specialized business segments, fostering an unparalleled experience for all stakeholders.

## Directory

### Company Details:

Name: Port Denarau Marina Limited  
 Date of Incorporation: 06 November, 1998  
 Place of Incorporation: Fiji  
 Company No: 13308  
 TIN No: 50-12611-0-2

### Head Office:

Address: Port Denarau, Denarau Island, Fiji  
 Phone: +679 675 0600  
 Email: info@denaraumarina.com

### Auditors:

Ernst & Young  
 Level 7, Pacific House  
 1 Butt Street, Suva

### Solicitors:

Munro Leys Law  
 Level 3, Pacific House  
 1 Butt Street, Suva

### Capital Markets Regulator:

Reserve Bank of Fiji  
 Tower 4, RBF Building  
 Pratt Street, Suva

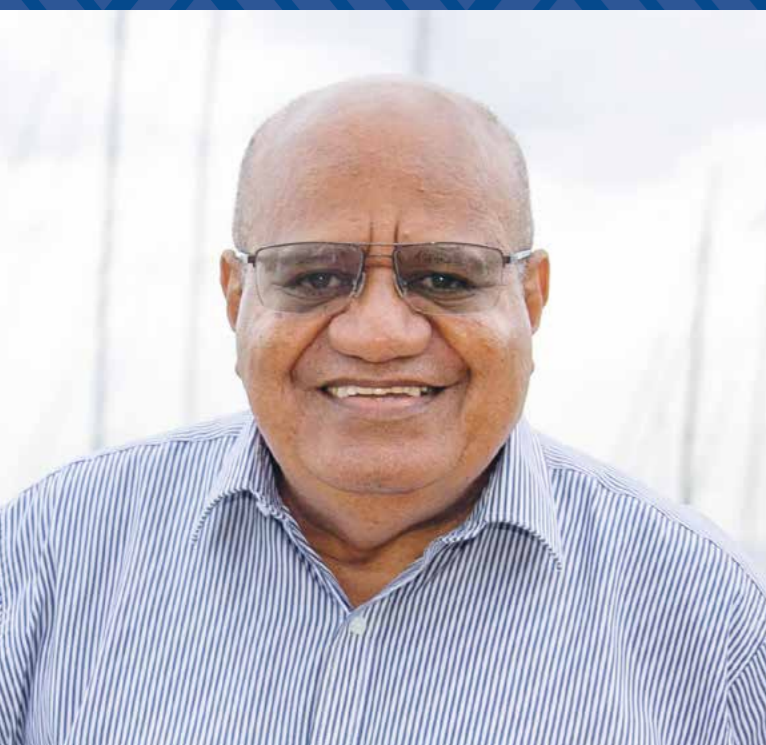
### Securities Exchange:

South Pacific Stock Exchange  
 Shop 1 and 11, Sabrina Building  
 Victoria Parade, Suva

### Share Registry:

Central Share Registry Pte Limited  
 Shop 1 and 11, Sabrina Building  
 Victoria Parade, Suva

## Chairman's Report



**I** gives me great pleasure to present the Chairman's Report for the year ended 31 July 2023.

The financial year under review saw much needed relief and excitement after one of the most difficult times in our history. Covid came and caused significant economic damage in the financial years 2021 and 2022. The year 2022 results showed signs of improvement. In year 2023 contentment and enthusiasm ran throughout our business as it strongly rebounded with very pleasing financial results after Fiji Tourism recovered strongly. Tourist arrivals grew at a pace unexpected with our port throughput reaching levels that were very close to pre-Covid yielding very good financial outcomes.

The post Covid travel dynamics and the war in Ukraine resulted in some changes to global yacht movement and made the South Pacific more attractive resulting in increased super yacht traffic through Fiji which benefitted Port Denarau. There was a very strong growth in private berthing revenue.

The increased activity at the port also propelled recovery in our tenants' businesses fully restoring their ability to pay market rent. All our key revenue categories saw significant growth. The year recorded the best ever operating profit result for PDM.

The fantastic performance and strong cash-flow lead the Directors to declare competitive dividend returns for our shareholders. An interim dividend of 1.75 cents per share was declared on 27 March 2023. A further final dividend of 2.5 cents per share declared on 17 October 2023 resulting in a total dividend of **4.5 cents per share for the year 2023**, a large increase compared to the **1.12 cents** per share paid out for the 2022 financial year. The dividend declarations reflected the company's robust performance in 2023. PDM is committed to delivering value to its shareholders, and this payout underscores our dedication to that objective and in line with our dividend policy.

The Directors are focused on continuing to strengthen the company's revenue base, its corporate governance, its risk management and ensuring that the port infrastructure can continue to sustain the natural and changing environment it is exposed to. Strategy of the board includes protecting PDM's revenue sources by firstly investing in its port infrastructure. A major expenditure plan has been approved for the new financial year 2024 aimed at ensuring that our infrastructure remains fit for purpose. Dredging of the

port water areas is an integral part of this program which will be undertaken soon as we receive the necessary regulatory approvals.

Our management and staff continue to engage with the local community and resource owners assisting and supporting their programs to improve livelihoods. We remain committed to maintaining our accreditation as a green port under the Clean Marina Program.

There were no changes to the composition of our Directors during the year. Mr. David Skeggs retired as the Chairman and the Directors unanimously agreed that I take over the role. I thank Mr. Skeggs for his valuable contributions over the years he served as Chairman. He remains on the board as a director. Bryan Skeggs retires by rotation this year and he has advised that he will stand for re-election,

The year saw a change in Government. The Coalition Government's focus and support for Tourism as a key driver of the economy will have a direct positive impact on our business and on the operations of our tenants.

The outlook is very positive on the back of a buoyant Fiji tourism forward projections. Our location remains the most attractive in Fiji as a destination for yachts and super yachts and a key transfer port for the Mamanuca and Yasawa islands tourist destinations.

The Chief Executive Officer, Cynthia Rasch, management and staff have been outstanding in managing the sudden influx of visitors through the port this year and I thank them for their dedication and loyalty. I thank my fellow directors for their support and commitment in continuing to develop the business for the benefit of all our stakeholders.

**Malakai Ratu Naiyaga**  
Chairman

# CEO's Report



## Dear Shareholders, Partners, and Stakeholders,

I am delighted to present the CEO's report for Port Denarau Marina (PDM) for the 2023 Financial Year. This year has been a remarkable journey filled with significant achievements and exciting developments.

### Financial Success:

FY23 has been an exceptional year for PDM. We have witnessed substantial growth in the tourism sector, resulting in impressive financial performance:

- Operating Net Profit: \$6.6 million, a notable increase from the previous year's \$6.2 million.
- Total Comprehensive Income: \$8.2 million (compared to \$9.9 million in 2022).
- Operating Profit: A remarkable \$4.5 million, a significant leap from the \$1.0 million in 2022.

Notably, our revenue experienced a remarkable 96% increase compared to the previous year which was impacted by Covid19 restrictions. The return of cruise ships to Fiji waters and the resumption of international flights, including new flight routes into Fiji, have resulted in a surge in arrivals. Our marketing efforts, along with the improved Superyacht Charter regulation and the success of the Blue Lanes initiative, have garnered us global recognition resulting in a substantial increase in transient vessel arrivals for both the 2022 and 2023 seasons (May to October). This has led to fully booked berths with extended stays in our marina. Our marina tenancies are now fully rented. All major revenue categories demonstrated robust growth, showcasing our resilience and adaptability.

### Dedication to Excellence:

PDM has received prestigious awards that affirm our commitment to excellence. We were honored with the "Best Marina Facility in Fiji" at the Nautical Tourism Awards, recognizing our dedication to delivering exceptional services in the tourism sector.

Additionally, we received the Silver Award in the "Support to Industry" category at the ANZ Fiji Excellence in Tourism Awards, acknowledging our exceptional support for Fiji's tourism industry. We also achieved the Highly Commended Award in the "Industry Innovation" category at the Marina Industries Association and

Nautilus Marine Marina of the Year Awards, highlighting our commitment to maintaining maritime traffic during challenging times.

### Innovation and Recognition:

PDM is the first marina in Fiji and the South Pacific to achieve both Gold Anchor and Superyacht Ready status from The Yacht Harbour Association (TYHA). This groundbreaking achievement sets new standards for marina facilities and services, confirming our dedication to providing a secure and enjoyable environment for boaters and tourists.

### Long-Term Strategy:

Our focus on long-term strategy continues with the optimization and expansion of our current offerings. While we have faced some delays in obtaining dredging permits, we remain committed to master planning and infrastructure upgrades in the next financial year to address the demand and supply issues within our operations.

### People-Centric Approach:

Our people are the heart of our success. We prioritize their well-being and development, implementing HR policies, training, and development initiatives. We have recently carried out a job evaluation exercise and we are ensuring that our employee salaries are aligned to the market where warranted. We have established a succession plan to ensure the longevity of our operations.

### Looking Ahead:

In summary, FY23 marked a year of recovery and significant progress at PDM. Our results emphasize the importance of strong operational and financial execution in a recovering tourism landscape.

I extend my heartfelt gratitude to our shareholders, partners, stakeholders, and the Board of Directors. Their exceptional strength, adaptability, and teamwork have been instrumental in achieving our outstanding results.

Our dedicated PDM team deserve special recognition for their unwavering commitment, adaptability, and resilience. They have played a pivotal role in maintaining our lead status, excellence in service, and achieving significant milestones.

As we look ahead, we are excited about the future and remain dedicated to providing exceptional service, fostering sustainable practices, and pursuing continued growth. Together, we will navigate the challenges and opportunities that lie ahead as we sail toward even greater success in 2024.

**Cynthia Rasch**  
Chief Executive Officer

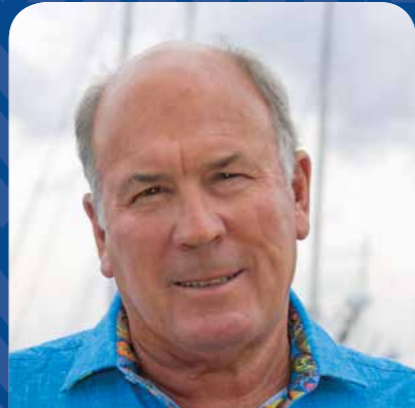
## Our Visionary Board



**Malakai Ratu Naiyaga**  
Chairman



**David George Skeggs**  
Director



**Bryan John Skeggs**  
Director



**Bruce Phillips**  
Director



**Josephine Yee Joy**  
Company Secretary

## Our Management Team



**Cynthia Rasch**  
Chief Executive Officer



**Kaveeta Singh**  
Financial Controller



**Prikesh Singh**  
Operations Manager



**Merewairita Lewatu**  
Reservations Manager



**Ashna Ayesha Devi**  
HR Generalist



**Taraiasi Qaranivalu Koli**  
Security & HSE Manager



**Vasiti Koro**  
Executive Assistant



# Corporate Governance

Name of Listed Entity: PORT DENARAU MARINA LIMITED  
 For the Financial Year ended on: 31 JULY, 2023

Principle	Requirement	Compliance Status
1. Establish clear responsibilities for board oversight	<b>Separation of duties:</b> Clear separation of duties between Board and Senior Management.	The Board has overall responsibility for the Company, including approving and overseeing the implementation of its business strategies, objectives, risk strategy, financial soundness, corporate governance and corporate values.
	<b>Board Charter:</b> Adopt a Board charter detailing functions and responsibilities of the Board.	The Board is also guided by the Board Charter which includes a commitment to ensure compliance of the Company's legal and regulatory obligations, the roles, functions, obligations, rights, responsibilities and powers of the Board.
2. Constitute an effective Board	<b>Board Composition:</b> Balanced Board Composition with Executive and Non-Executive directors of which 1/3rd of total number of directors to be independent directors.	The current Board consists of 4 Directors, 2 of which are Independent Directors. The Board should possess appropriate experience, competencies and personal qualities, including professionalism and personal integrity. The Board should have an adequate mix of core competencies in finance, accounting, business management, legal, strategic planning, risk management and industry-specific expertise.
	<b>Gender Diversity:</b> Do you have a policy for promoting gender diversity at Board level and have you achieved your policy goals?	The Board has adopted a Board Gender Diversity Policy.
	<b>Nomination Committee:</b> Selection, approval, renewal and succession of Directors to be conducted by Nomination Committee in accordance with Articles of Association of the Company and Fit and Proper Policy of Reserve Bank.	The Board has adopted a Remuneration and Nomination Committee Charter.
	<b>Board Evaluation:</b> Process of evaluation of performance of the Board, its Committees and individual directors. Evaluation to be linked to key performance indicators of the listed entity.	The Board performance evaluation process is underway.
	<b>Directors Training:</b> Directors' training and induction procedure to be in place to allow new directors to participate fully and effectively.	Induction program for new Directors is in place. Training will be undertaken as and when required.
	<b>Board Sub-committees:</b> Board must have sub-committees which must at a minimum include - • Audit Committee; • Risk Management Committee; and • Nomination Committee/ Recruitment Committee.	Audit, Risk and Compliance Committee and Nomination/ Recruitment Committee Charters have been adopted. The Audit, Risk & Compliance Committee meets at least twice a year and the Nomination Committee meets at least once a year.
3. Appointment of a Chief Executive Officer/ Managing Director	<b>CEO:</b> To appoint a suitably qualified and competent Chief Executive Officer	The Board is responsible for selecting the CEO and having in place an appropriate succession plan. The Board also sets formal performance standards consistent with the long-term objectives, strategy and financial soundness of the Company, monitoring performance against these standards; and ensuring that the CEO's knowledge and expertise remain appropriate given the nature of the business and the institution's risk profile.

Principle	Requirement	Compliance Status
4. Appointment of a Board and Company Secretary	<b>Company Secretary:</b> Board to appoint a suitably qualified and competent Company Secretary, who is accountable to the Board, through Chair, for all compliance and governance issues.	The Board has appointed a competent Company Secretary who is the administrative link between the Board and management. The Company Secretary also monitors statutory requirements and SPX board policies and procedures, and ensure that they are followed in a timely manner.
5. Timely and balanced disclosure	<b>Annual Reports:</b> Timely and accurate disclosures are made in Annual Reports as per Rule 51 of Listing Rules.	The Company has incorporated SPX compliances in its Annual Report.
	<b>Payment to Directors and Senior management:</b> Sufficient information to be provided to shareholders on remuneration paid to Directors and Senior management.	This disclosure is made in the Financial Statements & Reports.
	<b>Continuous Disclosure:</b> General disclosures or company announcements to be made in a timely manner. The disclosures should be factual without omitting material information and to be expressed in a clear and objective manner to shareholders.	The Company has a policy of informing shareholders promptly of any events that might significantly affect the value of the Company.
6. Promote ethical and responsible decision making	<b>Code of Conduct:</b> To establish a minimum Code of Conduct of the listed entity applicable to directors, senior management and employees and conduct regular trainings on the same.	The Corporate Governance Policy promotes principles of transparency, accountability, responsibility and relevant disclosure. It also emphasises the separate responsibilities of directors and Senior Management.
7. Register of Interests	<b>Conflicts of Interest:</b> Transactions with related parties resulting in conflict of interest are disclosed and a register is maintained for this purpose.	Board Directors and employees are required to declare any position or interest outside PDML that could lead to a conflict of interest. The minutes of board meetings reflect any declarations of conflicts of interest and how the conflict was managed. A register of interests for directors is also maintained.
8. Respect the rights of shareholders	<b>Communication with shareholders:</b> To design communication strategy to promote effective communication with shareholders and encourage their participation. Examples: Communication through Annual Reports, Annual General Meetings, or any other means of electronic communication.	All shareholder queries may be directed to the Company Secretary who is responsible for replying to / addressing them. Shareholders are able to submit written questions for the AGM via the Company Secretary.
	<b>Website:</b> To create and maintain a Website of the listed entity to communicate effectively with shareholders and other stakeholders. All matters of importance to be updated regularly on the Website.	PDML has a website which is regularly updated with significant events that may be of interest to shareholders. <a href="http://www.denaraumarina.com">www.denaraumarina.com</a>
	<b>Grievance Redressal Mechanism:</b> To establish a Grievance Redressal Mechanism for Shareholders to address shareholders complaints and grievances.	A policy has been established and approved by the Board.
	<b>Shareholders' Complaints:</b> To provide the number of shareholders' complaints received and attended to during the year. Provide reasons if any complaint is unresolved or unattended.	There have been no complaints to date.
	<b>Corporate Sustainability:</b> To adopt a business approach that creates long-term shareholder value by embracing opportunities, managing risks, maximising profits and minimising negative social, economic, and environmental impacts.	The Board and CEO play an active role in strategic planning and business development matters to ensure growth and corporate sustainability.

Principle	Requirement	Compliance Status
<b>9. Accountability and audit</b>	<b>Internal Audit:</b> To appoint an internal auditor or an alternative mechanism to achieve the objectives of risk management, control and governance.	The Company does not have an internal auditor and the Audit and Risk Committee is tasked with overseeing the audit functions.
	<b>External Audit:</b> To appoint an external auditor who reports directly to the Board Audit Committee.	The Company has an external auditor to serve as an independent evaluator of the Company's financial reporting.
	<b>Rotation of External Auditor:</b> To appoint the external auditor for a fixed term requiring senior partner of the audit firm to rotate once in every three or less financial years.	The Board adopts best practice in the process of appointment of the external auditors including recommending appointment for approval at AGM and ensures rotation of senior partners every three years.
	<b>Audit Committee:</b> To establish an Audit Committee comprising of at least 2 members of which majority are independent and Chair is not Chair of the Board.	The Audit & Risk Committee comprises of 3 Directors and the Independent Director is the Chair.
<b>10. Risk Management</b>	<b>Risk Management Policy:</b> To establish a Risk Management Policy to address risk oversight, risk management and internal control. The Policy to clearly define the roles and responsibilities of the Board, Audit committee, management and internal audit function.	PDML is strengthening its <i>Risk Management Framework</i> . As a marina operation, PDML is exposed to various risks associated with business generally, as well as specific to the marine environment in which it operates. These risks are managed through a process of ongoing identification, measurement and monitoring subject to risk limits and other controls.
	<b>Whistle Blower Policy:</b> As part of risk management strategy, establish a Whistle Blower Policy by creating a mechanism of reporting concerns of unethical behaviour, actual or suspected fraud or violation of the listed entity's code of conduct or ethics policy, SPX Rules or Companies Act.	A Whistle Blower policy has been established and approved by the Board.

## Community Engagement

Dedicated to Enriching Lives: A Glimpse into Our Community Engagements of the Year.

- **August 13<sup>th</sup> and October 7-8<sup>th</sup> 2022**



Aids to Navigation sponsorship for V6 marathon races for 2022 alongside co-hosts Vuda Outrigger Canoe Club and the Nadi Bay Outrigger Canoe Club.

- **25<sup>th</sup> October 2022**



Reeling in Fun: Denarau Game Fishing Committee Hosts Kids Game Fishing Competition at A Dock.



Enchanting Melodies: Basker Violinist from the Philippines Captivates Guests with Artistry under the Canopy.

- **Blood Drive - 21<sup>st</sup> December 2022**



- **Police Berthing** - Collaborated with the Fiji Police Force in a Search & Rescue mission for a sea-based missing person investigation. Additionally, offered berthing services for three vessels spanning from November 30 to December 16, 2022.



- Annual Cyclone meeting and sevusevu with the **Nakovacake Trust** for assistance with the yachting community cyclone haven arrangements.



- Drop a Dollar Campaign for the United Blind Persons Association – handover of funds received.



- **Blood Drive** – 8<sup>th</sup> March 2023 jointly held with Port Denarau Commercial Centre, the Ministry of Health and Port Denarau Marina.

- **March 2023**



PDM CEO was invited to speak at a special event in honor of **International Women's Day**, organized by Ernst & Young. This event aimed to inspire and empower.

- **May 2023**

Partnering with the Ministry of Health, we organized a Scabies Vaccination Drive for both the Denarau staff and community.

- **June 2023**

National Disability Committee accessibility audit of the marina.



Provided sponsorship to the Fiji Navy for the World Hydrography event.

## Year in Review: Highlights

Reflecting on Port Denarau Marina's journey for FYE 2022/23, a tapestry of remarkable achievements, growth phases, and momentous events come to light. Throughout this period, the marina has consistently upheld its position as the premier tourist hub and a beacon of excellence in the marine industry.

### • August 2022



Sponsoring The Superyacht Gathering not only enables us to support the community but also fosters the growth of the Southern Hemisphere's yachting sector. These gatherings are essential for drawing influential figures within the industry to the region, thereby contributing to its ongoing development.



Benetti Yachts sponsored the second annual Superyacht Australia - Fiji Rendezvous, held at Sails Restaurant on August 12. The event saw

14 superyachts participating, enjoying a successful season in Fiji. Key members of Superyacht Australia, including Rivergate Marina & Shipyard, Super Yacht Group Great Barrier Reef, and Gold Coast City Marina & Shipyard, engaged in a full day of activities. The schedule encompassed the Morning Tea Expo, VIP Captains' Lunch, and an evening Crew Networking Party. The VIP lunch attracted 17 guests, while the Networking Party included all 14 vessels present, interacting with local Fijian and Australian industry representatives. The sponsor's active involvement led to mentions in marketing materials and newsletters, further solidifying connections with industry peers.



On August 15th, the **P&O Pacific Explorer** cruise ship arrived in Fiji's Lautoka Port, marking the return of cruise tourism after a two-year gap. Government officials, tourism stakeholders, and PDM were present, including the Permanent Secretary for the Ministry of Commerce, Trade, Tourism, and Transport. This event symbolized the revival of Fiji's tourism industry and its resilience, making it a significant highlight in the annual report.

### • September 2022



Landmark Moment: Carnival Splendor marks the **Return of Cruise Liners** following border reopening to Port Denarau Marina.



Charting Success at **Asia Pacific Superyacht Association (APSA) Asia Superyacht Night 2022**: a night to remember with an exclusive guest list of 150, our Silver sponsorship sparkled, providing us extensive visibility. The event also opened doors for meaningful connections with APSA members, charter brokers, and accomplished superyacht captains.



Port Denarau Marina and Tourism Fiji joined the **31st Monaco Yacht Show** in September 2022 at Port Hercules, Monaco. The event, hosting 115 superyachts, 450 luxury yachting brands, and 35,000 guests over four days, emphasizes our international engagement in the industry.

### • October 2022

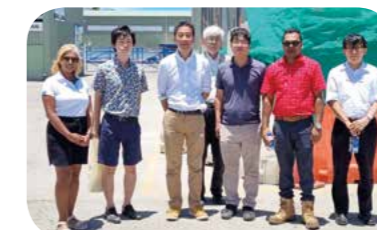


**Acknowledging Excellence:** Fiji Excellence in Tourism Awards Presents Appreciation & Recognition Award to PDM CEO for Outstanding Contributions to Post-COVID Tourism Recovery following the success of the Blue Lanes initiative.

### • November 2022



**Excellence Recognized:** PDML Wins Best Marina Facility - Fiji at Nautical Tourism Awards 2022 by LUXlife



**Exploring New Horizons:** Shigeki Namba and Tokyo Colleagues from JICA Fiji Conduct Site Visit to the marina to gather port information and to discuss future collaboration



**Exploring Sustainable Future:** Obayashi's Visit for Green Hydrogen Energy Project at the Marina

### • December 2022



**Strengthening Partnerships:** Port Denarau Marine Limited and Border Agents Seal Memorandum of Understanding for Port of Entry Services, Aligning with Marina's Comprehensive One-Stop Facility Vision.



**Strengthening Bonds with Key Tourism Stakeholders:** South Pacific Tourism Organisation (SPTO) CEO Mr. Christopher Cocker's Visit to Nadi along with his team - Mr. Zaheer Hassan, Ms. Natasha Ram, and Mr. Benjamin Shaw to share insights into SPTO's 2022-2023 initiatives, donor projects, and vital updates about Fiji's tourism landscape.



**Fostering Unity:** Staff Engage in Annual Team-Building Exercises, Celebrating Another Year of Achievements

### • January 2023



**Championing Green Initiatives:** Team's Dedication to Environmentally Safe Practices Shines Through Monthly Marina Clean-Ups During Health and Wellness Hours.

February 2023



Annual Compliance Meeting between PDM and SPX.



**Navigating Partnerships:** UK Hydrographer, Rear Admiral Rhett Hatcher together with Fiji Navy engages with PDM to Discuss Port Operations, Future Plans, Tourism Impact, and Hydrography's Role in Fiji's Blue Economy.



**Building Bridges:** Dinner Gathering with CEO of Austrade, Mr. Xavier Simonet, and Key Tourism Stakeholders, Commemorating His Visit to Fiji and Exchange of Recovery Stories.



**Collaborative Conversations:** Productive Meeting with Fiji Navy on Future Dredging Projects and Yachting-related Discussions.



**Marking Triumph:** PDM's Dual Achievement - Fiji Excellence in Tourism Silver Award for Industry Support, Coupled with PDM CEO's Prestigious Dixon Seeto Tourism Leader Award Win.

March 2023



Sponsorship of Superyacht Australia's Fourth Sydney Soiree, featuring 17 vessels including 12 superyachts and 5 tenders. As destination sponsors, we engaged with owners, captains, and brokers, promoting marina facilities and Fiji's charter regulations. Successful networking with 420+ guests resulted in inquiries post-event.



**International Women's Day** with the remarkable women who contribute to the success of Port Denarau Marina.

April 2023



**Commencing the Season with Enthusiasm:** Yachting Community Gathers for an Easter Egg Hunt, While Marina Hosts Monthly Dock Parties Throughout the Year.

May 2023



**Empowering Industry Exchange:** Proud Sponsors of ASMEX Conference Lunch and

participation in the Conference and Awards. Our attendance fostered networking and learning at the Sanctuary Cove event, engaging 115 conference delegates and 230 Gala dinner attendees across diverse marine sectors. A dynamic platform to connect and grow within the industry.



**Celebrating Mother's Day in Style:** VOU Feature Show on Jetty C, Honoring Visiting Mothers, a Highlight of Our Monthly Client Engagement Efforts and Local Business Support.



**Triumphant Achievements:** PDM Clinches 3 Awards in the Nautilus Marine Marina of the Year Awards by Marina Industries Association, Including Highly Commended Industry Innovation for COVID Response and Blue Lanes Initiative. PDM Becomes the First Marina in Fiji and the Pacific Region to Attain Superyacht Ready Status with Gold Anchor Recognition.

JUNE 2023



Our sponsorship of Leadership Fiji goes beyond fostering local leadership skills; it also yields significant advantages for our marina. These benefits encompass creating a positive social impact, enhancing brand visibility, and offering valuable networking prospects.



Deputy Prime Minister Hon. Viliame Gavoka visited PDM, discussing expansion plans for the thriving tourism sector. CEO explored development opportunities with keen interest, aiming to improve facilities and accessibility for visiting vessels. These discussions align with economic growth and the marina's resilient role during the pandemic.

## Training & Development

**F**ostering Resilience: Nurturing Growth through Training, Recovery, and Well-being. Our unwavering dedication to staff development and tourism resurgence is vividly demonstrated by proactive upskilling efforts, a strong focus on mental health, and targeted training programs. Our holistic strategy embraces a rejuvenated team and a revitalized industry. Here's a glimpse of our team's remarkable achievements:

- **August 2022**

OHS Modules I and II: Our commitment to safety and expertise, enhancing occupational health and safety awareness.

LMCCC training sharpens skills, fostering excellence in the workplace.

- **November 2022**

Streamlining Communication and Processes: Internal HR Training for human resources policies and processes. Equipping our team with essential skills, ensuring seamless operations and enhanced teamwork.

- **December 2022**

In-house Training for Boatyard Team on Yard Procedures and Documentation - Equipping our boatyard team with essential knowledge, this training ensures seamless operations by covering yard procedures and the necessary documentation. Empowering our team for efficiency and accuracy.

- **February 2023**

Fire Warden Training -Ensuring the well-being of our property and personnel, our fire warden training equipped designated personnel with the skills and knowledge needed to effectively handle fire emergencies. A crucial step toward a secure workplace.

- **March 2023**

Nurturing Human Capital: PDML's Presence at Fiji HR Institution Conference - Ensuring top-notch Human Resources management and staying updated with industry developments.

Navigating Environment Regulation: Our dedicated Security and HSE Manager played a pivotal role by participating in Environment Regulation and Compliance efforts.

Security & HSE Manager completed Training of Trainers Module 1 accreditation with FNU. A commitment to educational growth.

Elevating Workforce Excellence: Maxumise's Job Evaluation at PDM to enhance organizational efficiency. Maxumise carried out a comprehensive job evaluation exercise, aiming to assess and optimize the capabilities of the PDML workforce. A step towards maximizing potential and ensuring alignment with strategic goals.

- **June 2023**



MIA straddle lift training in Sydney Australia for two (2) PDML staff. This move was necessary as there was only one (1) fully qualified machine operator after the other staff member migrated.

## Environment

**A**t Port Denarau Marina, we are not just a gateway to paradise; we are stewards of Fiji's pristine marine environment. Our commitment to sustainability and environmental responsibility is at the core of everything we do. In this annual report, we proudly present our achievements and initiatives in maintaining a clean and fish-friendly marina.

- **A Sanctuary for Pristine Boating**

We recognize the challenges faced by marinas and the boating industry in the wake of climate change. Rising sea levels and extreme weather events threaten the very environment that boating enthusiasts cherish. To combat this, we have taken bold steps towards sustainability.

- **Accredited Excellence in Sustainability**

Since 2017, Port Denarau Marina has proudly held accreditation as a Clean Marina with a Fish Friendly status, overseen by the Marina Industries Association. This recognition signifies our unwavering dedication to safeguarding the environment and advocating for eco-friendly boating and fishing practices. Our accreditation is renewed every three years, subject to rigorous independent audits.

- **Best Management Practices**

Our sustainability efforts are built on a foundation of Best Management Practices. These measures include stringent controls to prevent contaminants from entering the water, responsible disposal of wastewater, fuel spill risk mitigation, recycling facilities, and a focus on water conservation through rainwater harvesting.

- **Clean Marina Program**

Our voluntary participation in the Clean Marina Program has led to innovative solutions, including black water pump-out facilities and advanced filtration systems in our hardstand and workshop areas. These innovations ensure that all water within our hardstand area is meticulously filtered before returning to the ocean.

- **Environmental Responsibility at the Core**

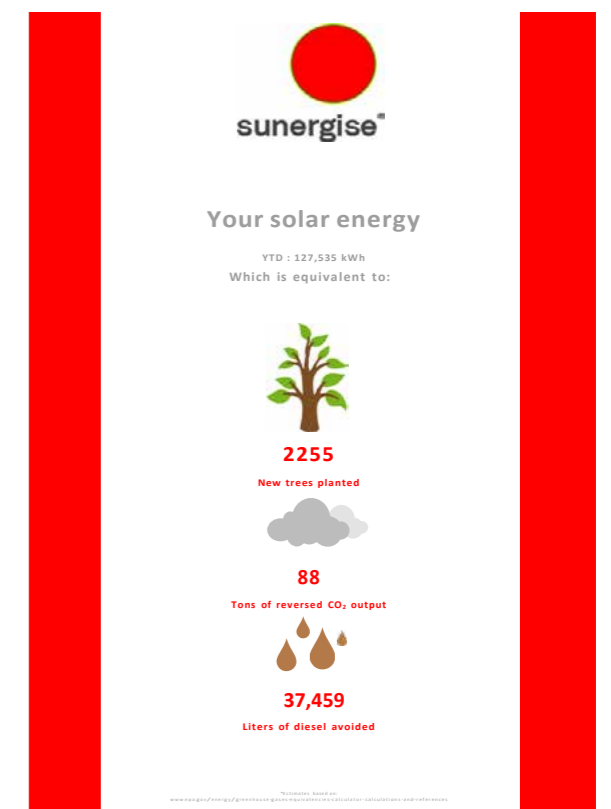
Our commitment to environmental responsibility extends to 24/7 security and surveillance, capturing and treating stormwater in our hardstand area, and carrying out significant work

within enclosed workspaces to reduce emissions and dust. We also manage refueling and used oil recycling onsite to minimize environmental impact.

- **Fish Friendly Initiatives**

Despite limited government-based support, we have invested in initiatives aligned with fish-friendly status. Our improved infrastructure minimizes our impact on aquatic ecosystems and fish populations.

- **Pioneering Solar Initiative**



In collaboration with Sunergise from New Zealand, we were the initial pioneers of the largest solar power plant marina installation in the Pacific. With 580 solar panels generating 750kWh of power daily, we significantly reduce our carbon footprint. Our commitment extends to keeping our Passenger Terminal, workshops and Yacht Club cool with solar energy.

## Educational Outreach

### Fostering Learning: Engaging Audiences Through Marina and Industry Site Visits

- **August 2022**

Swinburne University's Q&A initiative explored Training & Development in the maritime sector, featuring virtual engagement by the PDM CEO who shared insightful perspectives on employee training and upskilling challenges. The inclusive dialogue enhanced discussions on employer expectations and workforce development. Notably, this marked the first engagement with a Pacific organization, enriching the exchange of ideas.

We hosted Rotuma High School for an educational tour of our marina property. Students gained firsthand insights into maritime operations and facilities, enhancing their understanding of the industry.

- **September 2022**

Fiji Maritime Academy hosted an engaging Open Day event at the marina to enable new students to register for Boatmaster Licence and Basic Sea Safety Courses.

- **October 2022**



The University of the South Pacific organised a valuable site visit for the 3rd-year Management, Hospitality, and Environment class to the marina.

This hands-on excursion offered students firsthand experience and practical insights into the dynamic world of the tourism industry.

- **November 2022**



Dr. Vikas Gupta, a lecturer in the Discipline of Tourism and Hospitality at the University of the South Pacific, conducted a comprehensive survey and data collection at the marina. This research project aims to unravel valuable insights into the preferences and behaviors of yacht owners and consumers in the Fiji Islands.

- **May 2023**



Yasayasa Moala College embarked on an exciting visit to the marina, providing students with a unique opportunity to learn and experience the maritime environment firsthand.



Leadership Fiji's annual tourism industry West session brought participants to Port Denarau Marina for an immersive site visit. The visit provided valuable insights into the operations, tourism services, challenges, successes, and future opportunities of managing the marina, showcasing Fiji's tourism industry.

- **June 2023**



The Fiji National University's Regional/International Students Tour Group had an enriching site visit to our marina. This educational tour allowed students to immerse themselves in the maritime environment, offering them valuable insights into the industry.

Wainimala Secondary School's Marina Excursion - A group of 53 students, including Year 12 and Year 13, along with 6 teachers, undertook a marina excursion to gather primary source information. This educational outing provided students with valuable real-world experience and exposure, enriching their learning beyond the classroom.



**EY**  
Building a better working world

# Port Denarau Marina Limited

## Financial Statements

For the Year Ended 31 July 2023

**PORT DENARAU MARINA LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2023**

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**Contents**

Directors' report	2-3
Directors' declaration	4
Auditor's independence declaration	5
Independent auditor's report	6-9
Statement of profit or loss and other comprehensive income	10
Statement of changes in equity	11
Statement of financial position	12
Statement of cash flows	13
Notes to the financial statements	14-33

**PORT DENARAU MARINA LIMITED  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 JULY 2023**

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In accordance with a resolution of the Board of Directors, the Directors herewith submit the statement of financial position of Port Denarau Marina Limited ("the Company") as at 31 July 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and report as follows:

**Directors**

The names of the Directors in office during the year and up to the date of this report are:

- Malakai Naiyaga
- David George Skeggs
- Bryan John Skeggs
- Bruce Whewell Phillips

**Principal activities**

The principal activities of the Company during the financial year were the operation of a marina and marina related activities at Denarau Island. There were no significant changes to the activities during the year.

**Results**

The Company recorded a net profit of \$6,633,211 (2022: \$6,231,975) after providing for income tax expense of \$1,541,306 (2022: \$117,534).

Total comprehensive income for the year, net of tax was \$8,240,507 (2022: \$9,873,792).

**Dividends**

The Directors recommend that \$448,000 final dividend be declared for the year ended 31 July 2022 (2021: \$nil) and \$700,000 interim dividend be declared for the year ended 2023 (2022: \$nil).

**Bad and doubtful debts**

Prior to the completion of the Company's financial statements, the Directors took reasonable steps to ascertain that action had been taken in relation to writing off bad debts and the provision for doubtful debts. In the opinion of Directors, adequate provision has been provided for doubtful debts.

As at the date of this report, the Directors are not aware of any circumstances, which would render the amount written off for bad debts, or the provision for doubtful debts in the Company, inadequate to any substantial extent.

**Non-current assets**

Prior to the completion of the financial statements of the Company, the Directors took reasonable steps to ascertain whether any non-current assets were unlikely to be realised in the ordinary course of business compared to their values as shown in the accounting records of the Company. Where necessary these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that they might be expected to realise.

As at the date of this report, the Directors are not aware of any circumstances, which would render the values attributed to non-current assets in the Company's financial statements misleading.

**Unusual transactions**

In the opinion of the Directors, the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material unusual nature, nor has there arisen between the end of the financial year and the date of this report any item, transaction or event of a material unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Company in the current financial period, other than those reflected in the financial statements.

**Basis of accounting**

The Directors believe that the basis of the preparation of the financial statements is appropriate, and the Company will be able to continue its operation for at least twelve months from the date of this statement. Accordingly, the Directors believe the classification and carrying amounts of assets and liabilities as stated in these financial statements are appropriate.

**Events subsequent to balance sheet date**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

**PORT DENARAU MARINA LIMITED  
DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

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**Other circumstances**

As at the date of this report:

- i) no charge on the assets of the Company has been given since the end of the financial year to secure the liabilities of any other person;
- ii) no contingent liabilities have arisen since the end of the financial year for which the Company could become liable; and
- iii) no contingent liabilities or other liabilities of the Company has become or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

As at the date of this report the Directors are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the Company's financial statements which would make adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

**Directors' benefits**

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by Directors shown in the financial statements or received as the fixed salary of a full-time employee of the Company or of a related corporation) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

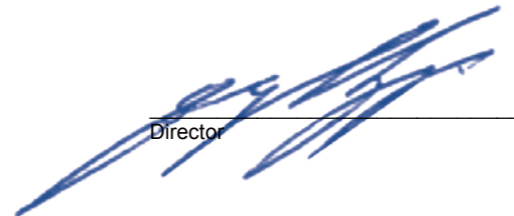
**Auditor independence**

The Directors have obtained an independence declaration from the Company's auditor, Ernst & Young. A copy of the auditor's independence declaration is set out in the Auditor's Independence Declaration to the Directors of Port Denarau Marina Limited on page 5.

For and on behalf of the Board and in accordance with a resolution of the Directors.

Dated this 17 day of October 2023.

  
Director

  
Director

**PORT DENARAU MARINA LIMITED  
DIRECTORS' DECLARATION  
FOR THE YEAR ENDED 31 JULY 2023**

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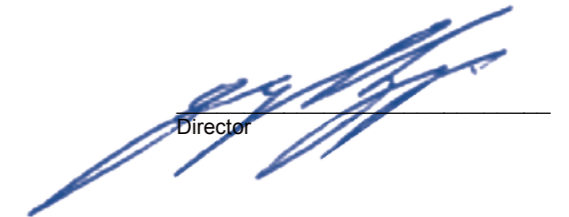
Directors of Port Denarau Marina Limited ("the Company") have made a resolution that declared:

- a) In the Directors' opinion, the financial statements and notes of the Company for the financial year ended 31 July 2023:
  - i) give a true and fair view of the financial position of the Company as at 31 July 2023 and of the performance of the Company for the year ended 31 July 2023.
  - ii) have been made out in accordance with the Companies Act 2015.
- b) they have received declarations as required by section 395 of the Companies Act 2015.
- c) at the date of this declaration, in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

For and on behalf of the Board and in accordance with a resolution of the Directors.

Dated this 17 day of October 2023.

  
Director

  
Director

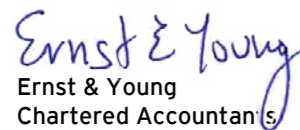


**Auditor's Independence Declaration to the Directors of Port Denarau Marina Limited**

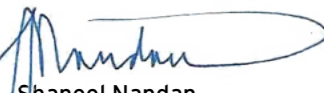
As lead auditor for the audit of Port Denarau Marina Limited for the financial year ended 31 July 2023, I declare to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Companies Act 2015 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Port Denarau Marina Limited during the financial year.



Ernst & Young  
Ernst & Young  
Chartered Accountants



Shaneel Nandan  
Partner  
Nadi, Fiji  
17 October 2023

**Independent Auditor's Report**

**To the Shareholders of Port Denarau Marina Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Port Denarau Marina Limited ("the Company"), which comprise the statement of financial position as at 31 July 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 July 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountant's *Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Fiji and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

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

**Valuation of land based assets**

Why significant	How our audit addressed the key audit matter
<p>The valuations of right-of-use assets, buildings and investment properties, carried at \$16.6m, \$0.5m and \$24.4m respectively, are important to our audit as they represent significant judgment areas and a significant percentage (84%) of the total assets of the Company. The valuations of right-of-use assets, buildings and investment properties are subjective and are highly dependent on assumptions and estimates.</p> <p>The company has recorded these assets at fair value based on an independent external valuation for the portfolio of assets, which has been allocated to individual assets by the Company.</p>	<p>In gaining our audit evidence we:</p> <ul style="list-style-type: none"> <li>- assessed the Company's processes for the selection of the external valuers, the determination of the scope of work of the valuers, and the consideration and acceptance of the valuation reported by the external valuers.</li> <li>- evaluated the qualifications, capability and competence of the external valuers. We also read the terms of engagement of the valuers to determine whether there were any matters that might have affected their objectivity or limited the scope of their work.</li> <li>- assessed the appropriateness of the classification of assets between land &amp; buildings, right of use assets and investment properties. This assessment included assessing the appropriateness of the allocation of a portion of right-of-use assets as investment property as a consequence of the nature of the use of those assets to generate a rental income stream.</li> </ul>

**Independent Auditor's Report (continued)**

**Key Audit Matters (continued)**

**Valuation of land based assets (continued)**

Why significant	How our audit addressed the key audit matter
<p>The valuation process involves significant judgement in determining the appropriate valuation methodology to be used and the assumptions to be applied. A small difference in any one of the key assumptions, when aggregated, could result in a significant change to the valuation of these assets. The valuations are particularly sensitive to the capitalisation rate, discount rate and terminal yield assumptions.</p> <p>Disclosures regarding the Company's buildings, investment properties and right-of-use assets and included in notes 10, 11 and 16 to the financial statements respectively.</p>	<ul style="list-style-type: none"> <li>- assessed the allocation by the Company of the external valuation to the three classes of assets based on information provided by the independent valuer.</li> <li>- tested the integrity of factual inputs into the projected cash flows used in the valuation to lease agreements and other relevant documents.</li> <li>- challenged the capitalisation, discount and terminal yield rates used in the valuations by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we sought to understand the reasons for this and undertook sensitivity analysis to assess the impact of possible changes in these assumptions.</li> <li>- considered the adequacy of the disclosures in Notes 10,11 and 16.</li> </ul>

**Other information**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the management and those charged with governance for Financial Statements**

The management and Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as the management and Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

**Independent Auditor's Report (continued)**

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

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

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

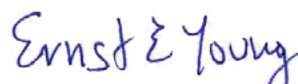
From the matters communicated with those charged with governance, the auditor determines those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. The auditor describes these matters in the auditor's report unless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

Independent Auditor's Report (continued)


**Report on Other Legal and Regulatory Requirements**

In our opinion, the financial statements have been prepared in accordance with the requirements of the Companies Act 2015 all material respects, and;

- a) we have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b) the Company has kept financial records sufficient to enable the financial statements to be prepared and audited.



Ernst & Young  
Chartered Accountants



Shaneel Nandan  
Partner  
Nadi, Fiji  
17 October 2023

**PORT DENARAU MARINA LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 JULY 2023**

	Notes	2023 \$	2022 \$
<b>Revenue</b>			
Revenue from contracts with customers	2(a)	8,586,940	4,108,462
Other income	2(b)	241,348	384,866
		<b>8,828,288</b>	<b>4,493,328</b>
<b>Expenses</b>			
Sales and marketing expense		(98,204)	(13,224)
Depreciation and amortisation expense		(725,949)	(729,930)
Operating expenses	2(c)	(2,605,865)	(1,963,581)
Salaries and employee benefits expense	2(d)	(935,503)	(765,382)
		<b>4,462,767</b>	<b>1,021,211</b>
Operating profit			
Finance costs		(61,412)	(78,989)
Change in fair value of investment properties	11	3,773,162	5,407,287
		<b>8,174,517</b>	<b>6,349,509</b>
Net profit before income tax			
Income tax expense	5(a)	(1,541,306)	(117,534)
Net profit after income tax		<b>6,633,211</b>	<b>6,231,975</b>
<b>Other comprehensive income</b>			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent years:</i>			
Net change in fair value of property, plant and equipment and right of use asset (net of tax)		2,240,247	3,641,817
Change in tax rate		(632,951)	-
Other comprehensive income for the year, net of tax		1,607,296	3,641,817
<b>Total comprehensive income for the year, net of tax</b>		<b>8,240,507</b>	<b>9,873,792</b>
<b>Basic earnings per share</b>	4	<b>0.17</b>	<b>0.16</b>

The accompanying notes form an integral part of this statement of profit or loss and other comprehensive income.

**PORT DENARAU MARINA LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2023**

	Notes	2023 \$	2022 \$
<b>Issued capital</b>			
Balance at the beginning of the year		1,000,000	1,000,000
Movement during the year		-	-
Balance at the end of the year	13	<u>1,000,000</u>	<u>1,000,000</u>
<b>Retained earnings</b>			
Balance at the beginning of the year		24,230,191	17,998,216
Net profit after income tax		6,633,211	6,231,975
Dividend paid during the year		(1,148,000)	-
Balance at the end of the year		<u>29,715,402</u>	<u>24,230,191</u>
<b>Other components of equity</b>			
<b>Asset revaluation reserve</b>			
Balance at the beginning of the year		11,393,151	7,751,334
Other comprehensive income for the year, net of tax		1,607,296	3,641,817
Balance at the end of the year	21	<u>13,000,447</u>	<u>11,393,151</u>
<b>Total shareholders' equity</b>		<b><u>43,715,849</u></b>	<b><u>36,623,342</u></b>

The accompanying notes form an integral part of this statement of changes in equity.

**PORT DENARAU MARINA LIMITED  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 JULY 2023**

	Notes	2023 \$	2022 \$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	3,249,826	2,938,528
Investment properties	11	24,433,203	19,657,390
Right-of-use assets	16	<u>16,574,628</u>	<u>14,201,921</u>
		<u>44,257,657</u>	<u>36,797,839</u>
<b>Current assets</b>			
Cash and cash equivalents	6	3,707,941	2,655,708
Trade receivables	7	803,415	902,029
Inventories	8	102,886	78,548
Prepayments and other receivables	9	279,306	322,068
Current tax asset		<u>179,285</u>	<u>282,129</u>
		<u>5,072,833</u>	<u>4,240,482</u>
<b>Total assets</b>		<b><u>49,330,490</u></b>	<b><u>41,038,321</u></b>
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holders</b>			
Share capital	13	1,000,000	1,000,000
Retained earnings		29,715,402	24,230,191
Other components of equity	21	<u>13,000,447</u>	<u>11,393,151</u>
<b>Total equity</b>		<b><u>43,715,849</u></b>	<b><u>36,623,342</u></b>
<b>Non-current liabilities</b>			
Payable to related party	15(c)	-	433,210
Deferred tax liabilities	5(c)	4,508,055	2,041,304
Lease liabilities	17	<u>465,490</u>	<u>466,126</u>
		<u>4,973,545</u>	<u>2,940,640</u>
<b>Current liabilities</b>			
Trade and other payables	12	590,294	831,887
Employee benefits liability	14	50,167	72,128
Payable to related party	15(c)	-	569,719
Lease liabilities	17	<u>635</u>	<u>605</u>
		<u>641,096</u>	<u>1,474,339</u>
<b>Total liabilities</b>		<b><u>5,614,641</u></b>	<b><u>4,414,979</u></b>
<b>Total equity and liabilities</b>		<b><u>49,330,490</u></b>	<b><u>41,038,321</u></b>

The accompanying notes form an integral part of this statement of financial position.

**PORT DENARAU MARINA LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JULY 2023**

	2023	2022
Note	\$	\$
<b>Operating activities</b>		
Net profit after income tax	6,633,211	6,231,975
<u>Adjustments to reconcile net profit after income tax to net cash flows:</u>		
Depreciation and impairment of property, plant and equipment and right-of-use assets	725,949	729,930
Increase in fair value of investment properties	(3,773,162)	(5,407,287)
Gain on disposal of property, plant and equipment and investment property	(16,514)	(138,580)
Movements in provisions	(31,961)	(14,446)
Increase in deferred income tax liabilities	1,438,462	117,535
Net foreign exchange gain	(20,696)	(55,890)
Credit adjustment to land lease invoice	(21,615)	-
Finance expense (disclosed in financing activities)	52,698	70,275
<u>Working capital adjustments</u>		
Decrease/(increase) in trade and other receivables	151,376	(547,362)
(Decrease)/increase in trade and other payables	(241,593)	362,732
Increase in inventory	(24,338)	(21,585)
Decrease in current tax asset	102,844	-
<b>Net cash from operating activities</b>	<u>4,974,661</u>	<u>1,327,297</u>
<b>Investing activities</b>		
Acquisition of property, plant and equipment and investment properties	(1,777,020)	(137,993)
Proceeds from disposal of property, plant and equipment and investment property	16,514	976,002
<b>Net cash (used in)/from investing activities</b>	<u>(1,760,506)</u>	<u>838,009</u>
<b>Financing activities</b>		
Dividend paid	(1,148,000)	-
Interest paid	-	(27,167)
Payment of lease liabilities	(2,094)	(28,679)
Repayment of related party payable	(1,011,828)	-
<b>Net cash (used in) financing activities</b>	<u>(2,161,922)</u>	<u>(55,846)</u>
<b>Net increase in cash and cash equivalents held</b>	1,052,233	2,109,460
Net cash at the beginning of the year	2,655,708	546,248
<b>Cash at the end of year</b>	<u>3,707,941</u>	<u>2,655,708</u>

The accompanying notes form an integral part of this statement of cash flows.

**PORT DENARAU MARINA LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2023**

**1.1 Corporate information**

Port Denarau Marina Limited (the "Company") is incorporated and domiciled in the Republic of Fiji. The financial statements of Port Denarau Marina Limited for the year ended 31 July 2023 were authorised for issue in accordance with a resolution of the Directors on 17 October 2023.

The Company was listed on the South Pacific Stock Exchange on 14 August 2019.

**1.2 Basis of preparation of the financial statements**

The financial statements reflect the financial performance of the Company for the trading year from 1 August 2022 to 31 July 2023 and have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). On this basis the financial statements for the year ended 31 July 2023 have been prepared on the basis as a going concern.

The financial statements have been prepared on the basis of historical costs except where stated.

**1.3 Functional and presentation currency**

These financial statements are presented in Fijian dollars, which is the Company's functional and presentational currency. All amounts have been rounded to the nearest dollar, except when otherwise indicated.

**1.4 Significant accounting judgments, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future years.

**Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Property lease classification – Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

**Estimations and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Valuation of land based assets

Fair value of land based assets are determined by reference to market-based evidence. Independent valuation is performed with sufficient regularity to ensure the carrying amount does not differ materially from the asset's fair value at the balance sheet date. The current policy is to undertake an independent valuation every year.

Right-of-use assets relate to leasehold land having an initial lease term of 89 and 99 years which is considered substantial and are utilized by the company as well as being leased out as part of investment properties. Leasehold land utilized by the company is recorded as right-of-use assets while portion leased out to tenants are recorded as part of investment properties. The split between right-of-use assets and investment properties is determined based on the square meter of land occupied which was 65% and 35% respectively.

The fair value of land-based assets for the year ended 31 July 2023 was determined by Stephen Doyle, an independent registered valuer of the firm Jones Lang LaSalle. Similar to last year, in the current year, the valuer used the three approaches of Discounted Cash Flow ('DCF'), Capitalisation and Depreciated Replacement Cost ('DCR'). However, determined that fair value is most appropriately determined as a mid-point between the DCF and capitalisation approach (income approach) considering the stability that has entered the Fiji domestic market, alongside the growth of the tourism/visitor market. The Directors decided to adopt the fair value as stipulated by the valuer.

Therefore, the fair value of land-based assets at 31 July 2023 were determined as a mid-point between Discounted Cash Flow and Capitalisation approach.

The significant unobservable inputs used in the fair value measurement of the Company's land-based assets are:

<u>Assumption</u>	<u>Estimate used</u>
Capitalisation rate	Rate used was 6.25%

**PORT DENARAU MARINA LIMITED  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

**1.4 Significant accounting judgments, estimates and assumptions (continued)**

**Estimations and assumptions (continued)**

<u>Assumption</u>	<u>Estimate used</u>
Discount rate	Rate used was 8.25%
Internal rate of return	Rate used was 8.47%

A significant decrease/(increase) in the capitalisation rate would result in a significantly higher/(lower) fair value measurement and a significant increase/(decrease) in the underlying land value and estimated replacement cost would result in a significantly higher/(lower) fair value measurement.

Impairment of financial assets

The Company uses a simplified approach to implement an expected credit loss model for trade receivables given that trade receivables have terms of one year or less and generally no significant financing components. The Company calculates the lifetime expected credit losses as its provision against such receivables.

Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less cost to sell and its value in use. The fair value less cost to sell calculation is based on available data from binding sales transactions in arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset.

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Leases - estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

**Measurement of fair value**

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting year during which the change has occurred.

**1.5 Summary of significant accounting policies**

**a) Property, plant and equipment**

**i) Recognition and measurement**

With the exception of land-based assets (leasehold land, buildings and yacht club), property, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses. The cost of certain items of property, plant and equipment at 1 August 2017, the Company's date of transition to IFRS, was determined with reference to its fair value up to that date.

**PORT DENARAU MARINA LIMITED  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

**1.5 Summary of significant accounting policies (continued)**

**a) Property, plant and equipment (continued)**

**i) Recognition and measurement (continued)**

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

**ii) Subsequent expenditure**

Subsequent expenditure is capitalised only if probable that the future economic benefits associated with the expenditure will flow to the Company.

**iii) Depreciation**

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss.

The estimated depreciation rates of property, plant and equipment for current and comparative years are as follows:

• Buildings	1.25%
• Beacons and moorings	12.00%
• Jetties and anchor chains	4.00% - 12.00%
• Motor vehicles	15.00% - 26.00%
• New marina	6.00% - 15.00%
• Plant and equipment	9.50% - 20.00%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**iv) Land based assets revaluation**

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 or loss, in which case the increment is recognised in profit or 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.

**b) Investment property**

Investment property is initially measured at cost and subsequently at fair value (The Directors determine the fair value of land based assets at each balance date with reference to a report by an independent registered valuer engaged by the Company to value the land based assets every year) with any change therein recognised in profit or loss. Any gain or loss on disposal of investment property is recognised in the profit or loss. When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease.

**c) Financial instruments**

**i) Recognition and measurement**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

**ii) Classification and measurement**

**Financial assets**

On initial recognition, a financial asset is classified as measured at amortised cost, Fair Value through Other Comprehensive Income (FVOCI) or Fair Value Through Profit or Loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting year following the change in the business.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**PORT DENARAU MARINA LIMITED  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

**1.5 Summary of significant accounting policies (continued)**

**c) Financial instruments (continued)**

**ii) Classification and measurement (continued)**

**Financial assets (continued)**

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Financial assets: Business model assessment**

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how Directors of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected;
- the frequency, volume and timing of sales of financial assets in prior years, the reasons for such sales; and
- and demonstrate why those sales do not reflect a change in the entity's business model.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

**Financial assets: Subsequent measurement and gains and loss**

Financial assets that are measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

**Financial liabilities – Classification, subsequent measurement and gains and losses**

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified at FVTPL if it is classified as held-for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gains or loss on derecognition is also recognised in profit or loss.

**ii) Derecognition**

**Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

**Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred, or liabilities assumed) is recognised in profit or loss.

**iii) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**PORT DENARAU MARINA LIMITED  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

**1.5 Summary of significant accounting policies (continued)**

**d) Impairment**

**i) Non-derivative financial assets**

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

- The Company measures loss allowances at an amount equal to lifetime expected credit loss, except for the following, which are measured as 12-month expected credit loss.
- other receivables and cash at bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.
- When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when:
  - the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
  - the financial asset is more than 90 days past due.

The Company considers another receivable or cash balance to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade". The Company considers this to be B1 or a higher rating per Moody's. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of Expected Credit Losses

Expected Credit Losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flow due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Credit-impaired financial assets

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for expected credit loss in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**PORT DENARAU MARINA LIMITED  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

**1.5 Summary of significant accounting policies (continued)**

**d) Impairment (continued)**

**ii) Non-financial assets**

The carrying amounts of the Company's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount cannot exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

**e) Inventories**

Inventory has been valued at the lower of cost or net realisable value after allowances for damaged and obsolete inventory. Cost is determined on an average cost basis.

**f) Income tax**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI (the "other comprehensive income").

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

**i) Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

**ii) Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences are considered based on the business plans for individual subsidiaries in the Company.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

**PORT DENARAU MARINA LIMITED  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

**1.5 Summary of significant accounting policies (continued)**

**f) Income tax (continued)**

**ii) Deferred tax (continued)**

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this assumption. Deferred tax assets and liabilities are offset only if certain criteria are met.

**g) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**h) Foreign currencies**

Foreign currency transactions are translated to Fiji dollars at rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies are converted to Fiji currency at the rates of exchange ruling at the balance sheet date. All exchange gains or losses whether realised or unrealised are included in the statement of comprehensive income.

**i) Revenue recognition**

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer. Revenue from the sale of goods is recognised at a point in time, when control of the goods has transferred to the buyer, usually on delivery of goods.

**j) Value Added Tax (VAT)**

Revenue, expenses and assets are recognised net of the amount of respective sales tax except:

- where the Value Added Tax incurred on the purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables that are stated with the amount of Value Added Tax included and payables that are stated with the amount of Value Added Tax included.

The net amount of Value Added Tax recoverable or payable to the tax authority is included as part of the receivables or payables in the statement of financial position.

**k) Comparatives**

Where necessary, the comparative figures have been adjusted to conform to changes in presentation in the current year.

**l) Deferred cost**

Dredging cost incurred is recognised as deferred cost and is amortised over a period of 10 years.

**m) Finance costs**

Finance costs include interest expense which is recognised using the effective interest method.

**n) Share capital**

Increment costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

**o) Employee benefits**

**i) Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**ii) Defined contribution plans**

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.



**PORT DENARAU MARINA LIMITED  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

**1.5 Summary of significant accounting policies (continued)**

**p) Leases**

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

*i) Right-of-use assets*

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

– Leasehold land 89 and 99 years (unexpired lease period of 76 and 75 years respectively from 2023)

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Leasehold land utilized by the company is recorded as right-of-use assets while portion leased out to tenants are recorded as part of investment properties. The split between right-of-use assets and investment properties is determined based on the square meter of land occupied which was 65% and 35% respectively.

Subsequently, right-of-use assets are measured at fair value. The Directors determine the fair value of right-of-use assets at each subsequent balance date with reference to a report by an independent registered valuer engaged by the Company to value the right-of-use assets every year. 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 or loss, in which case the increment is recognised in profit or 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.

*ii) Lease liabilities*

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

*iii) Short-term leases and leases of low-value assets*

The company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised 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.

**PORT DENARAU MARINA LIMITED  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

**1.5 Summary of significant accounting policies (continued)**

**q) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received.

If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price.

Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

**r) Earnings per share**

Basic earnings per share is determined by dividing profit or loss attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

**1.6 New standards and interpretations**

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2023 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements. The standards and interpretations are not expected to have a significant impact on the Company's financial statements.

**PORT DENARAU MARINA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

**2. Revenue and expenses**

Revenue, other income and expenses include the following for the year ended 31 July 2023:

	2023	2022
	\$	\$
<b>a) Revenue from contracts with customers</b>		
Berthing	5,006,427	2,303,368
Terminal	78,455	41,553
Boat yard and storage	632,258	476,293
Fuel levy	563,451	274,007
Investment property rentals	2,306,349	1,013,241
	<u>8,586,940</u>	<u>4,108,462</u>
<b>b) Other income</b>	\$	\$
Gain on disposal of assets	16,514	70,505
Gain on disposal of investment property	-	68,075
Insurance proceeds – business interruption	121,673	115,596
Unrealised exchange gain	20,696	55,890
Sundry income	82,465	74,800
	<u>241,348</u>	<u>384,866</u>
<b>c) Operating expenses</b>	\$	\$
Auditors' remuneration	23,000	23,000
Other operating costs	2,582,865	1,940,581
	<u>2,605,865</u>	<u>1,963,581</u>
<b>d) Salaries and employee benefits expense</b>	\$	\$
Wages and salaries	920,563	745,794
Staff training	14,940	19,588
	<u>935,503</u>	<u>765,382</u>

**3. Operating segments**

The company operates from its registered place of business at Denarau Island where the port and berthing facilities are located. The port includes a commercial complex for retail, hospitality and other complementary services required by the sailing community situated on the same site. Whilst management reviews the company's revenue by segment, expenses are reported and reviewed according to their nature. Therefore, only the revenue by reportable segment is disclosed in Note 2a.

**4. Earnings per share**

The calculation of basic EPS has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares:

	\$	\$
<b>Profit or loss attributable to ordinary shareholders</b>		
Profit attributable to ordinary shareholders	6,633,211	6,231,975
<b>Weighted average number of ordinary shares:</b>		
Issued ordinary shares at 31 July	40,000,000	40,000,000
Total	<u>40,000,000</u>	<u>40,000,000</u>
Basic earnings per share	<u>0.17</u>	<u>0.16</u>

**PORT DENARAU MARINA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

**5. Income tax**

	2023	2022
	\$	\$
<b>a) The amount of income tax attributable to the year differed from the prima facie amount payable on the net profit</b>		
The difference is reconciled as follows:		
Net profit before income tax	8,174,517	6,349,509
Prima facie income tax expense calculated at 15% (2022:10%) on the net profit before income tax	1,226,178	634,951
Tax effect of non-deductible expenses (net)	-	(234,419)
Change in tax rate	684,049	-
Modernisation of building incentive *	(71,415)	-
Tax losses recognised	(164,955)	(264,832)
Other movement	(132,551)	(18,166)
Income tax expense	<u>1,541,306</u>	<u>117,534</u>
<b>b) Income tax expense</b>	\$	\$
<u>Current income tax</u>		
Current income tax charge	102,844	-
Adjustments in respect of non-deductible differences	-	(234,419)
<u>Deferred income tax</u>		
Temporary differences relating to future years	1,438,462	351,953
Income tax expense	<u>1,541,306</u>	<u>117,534</u>
<b>c) Deferred income tax</b>	\$	\$
Deferred income tax at 31 July relates to the following:		
Allowance for estimated credit loss	2,421	2,614
Provision for employee entitlements	7,525	7,213
Unrealised exchange gain	(3,104)	(5,589)
Tax losses *	-	329,135
Investment properties	(1,701,096)	(1,135,122)
Property, plant and equipment	(2,813,801)	(1,239,555)
Net deferred income tax liability	<u>(4,508,055)</u>	<u>(2,041,304)</u>
<u>Represented on the Statement of Financial Position as:</u>	\$	\$
Deferred tax liability **	<u>(4,508,055)</u>	<u>(2,041,304)</u>

\* Modernisation of building incentives and tax losses fully utilised during the year.

\*\* Of this deferred liability amount, \$2,294,194 (2022: \$1,265,905) relates to revaluations of property which will not be reclassified to profit or loss and for which the movement has been recognised in other comprehensive income.

**6. Cash and cash equivalents**

	\$	\$
Cash at bank	3,707,361	2,654,614
Cash on hand	47	325
Petty cash	533	769
Cash at bank and on hand for the purposes of the cash flow statement	<u>3,707,941</u>	<u>2,655,708</u>

At 31 July 2023, the Company had available \$1,500,000 (2022: \$1,500,000) of undrawn committed borrowing facilities.

**PORT DENARAU MARINA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

7. Trade receivables	2023	2022
	\$	\$
Trade receivables from contracts with customers	804,644	541,778
Less: allowance for expected credit losses	(16,142)	(26,142)
Unearned (pre-billed income) income – note 12	14,913	386,393
	<u>803,415</u>	<u>902,029</u>

Trade receivables are non-interest bearing and are generally on 30-90 day terms. As at 31 July 2023, \$16,412 (2022: \$26,142) trade receivables were impaired and were fully provided for. Movements in provision for impairment of receivables were as follows:

Opening balance	26,142	38,457
Movement during the year	(10,000)	(12,315)
Closing balance	<u>16,142</u>	<u>26,142</u>

The ageing analysis of trade receivables is as follows:

	Total	Past due but not impaired			
		Neither past due nor impaired	30-60 days	60-90 days	>90 days
		\$	\$	\$	\$
<b>31 July 2023</b>	803,415	712,692	75,822	14,901	-
<b>31 July 2022</b>	902,029	799,952	85,020	17,057	-

8. Inventories	2023	2022
	\$	\$
Inventories	102,886	78,548

9. Prepayments and other receivables	2023	2022
	\$	\$
Prepayments	250,432	149,925
Sundry debtors	28,874	172,143
	<u>279,306</u>	<u>322,068</u>

**PORT DENARAU MARINA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

**10. Property, plant and equipment**

	Buildings		Jetties, beacons and moorings		Plant & equipment, vessels and motor vehicles		Work-in-progress		Total	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>										
At 31 July 2021	409,022	7,169,109	3,334,444	-	-	-	-	-	-	10,912,575
Additions	-	-	49,730	-	-	-	-	-	-	49,730
Disposals	-	-	(173,608)	-	-	-	-	-	-	(173,608)
Revaluation	53,351	-	-	-	-	-	-	-	-	53,351
At 31 July 2022	<u>462,373</u>	<u>7,169,109</u>	<u>3,210,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,842,048</u>
Additions	34,591	571,274	157,904	10,600	-	-	-	-	-	774,369
Disposals	-	-	(16,514)	-	-	-	-	-	-	(16,514)
Revaluation*	13,073	-	-	-	-	-	-	-	-	13,073
<b>At 31 July 2023</b>	<u>510,037</u>	<u>7,740,383</u>	<u>3,351,956</u>	<u>10,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,612,976</u>
<b>Accumulated depreciation</b>										
At 31 July 2021	-	4,679,288	2,849,532	-	-	-	-	-	-	7,528,820
Depreciation charge	77,428	327,168	190,040	-	-	-	-	-	-	594,636
Revaluation	(73,071)	-	-	-	-	-	-	-	-	(73,071)
Disposals	-	-	(146,865)	-	-	-	-	-	-	(146,865)
At 31 July 2022	<u>4,357</u>	<u>5,006,456</u>	<u>2,892,707</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,903,520</u>
Depreciation charge	76,441	356,261	106,373	-	-	-	-	-	-	539,075
Revaluation*	(62,931)	-	-	-	-	-	-	-	-	(62,931)
Disposals	-	-	(16,514)	-	-	-	-	-	-	(16,514)
<b>At 31 July 2023</b>	<u>17,867</u>	<u>5,362,717</u>	<u>2,982,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,363,150</u>
<b>Carrying amounts</b>										
<b>At 31 July 2023</b>	<u>492,170</u>	<u>2,377,666</u>	<u>369,390</u>	<u>10,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,249,826</u>
<b>At 31 July 2022</b>	<u>458,016</u>	<u>2,162,653</u>	<u>317,859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,938,528</u>

\* The fair value of land-based assets was determined using the mid-point between Discounted Cash flow and Capitalisation approach. The valuation was prepared as at 31 July 2023 by an independent and registered valuer, Jones Lang LeSalle. The same valuer had determined the fair value of the same assets in prior year and estimated fair value as the mid-point between the discounted cashflow approach and the capitalisation approach.

**PORT DENARAU MARINA LIMITED  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

**11. Investment properties**

	2023	2022
	\$	\$
Balance at 1 August	19,657,390	14,972,519
Additions during the year	1,002,651	88,263
Disposal during the year	-	(810,679)
Net gain from fair value remeasurement	<u>3,773,162</u>	<u>5,407,287</u>
Balance at 31 July	<u>24,433,203</u>	<u>19,657,390</u>

Investment properties comprises of yacht club, terminal building, administration building, a number of workshop buildings and leasehold land that are leased to third parties with annual rents indexed to consumer prices. Subsequent renewals are negotiated with each lessee. 35% of leasehold land is considered to be rented out as part of investment properties based on square meter of land. The Directors determine the fair value of the investment property at each balance date with reference to a report by an independent registered valuer engaged by the Company to value the investment property every year. The valuation was prepared as at 31 July 2023 and undertaken by independent valuer Jones Lang LaSalle.

**12. Trade and other payables**

	\$	\$
Trade payables	378,141	140,225
Other payables and accruals	197,240	305,269
Unearned (pre-billed income) income – note 7	<u>14,913</u>	<u>386,393</u>
	<u>590,294</u>	<u>831,887</u>

**13. Share capital**

	\$	\$
<u>Issued and paid up capital</u>		
Number of ordinary shares	40,000,000	40,000,000
Share capital	<u>\$1,000,000</u>	<u>\$1,000,000</u>

Weighted average number of ordinary shares at year end is disclosed in Note 4.

**14. Employee benefits liability**

	\$	\$
Employee entitlements	<u>50,167</u>	<u>72,128</u>

**15. Related party disclosures**

**a) Ultimate holding company**

The ultimate holding company is Skeggs Group Limited.

**b) Related party transactions**

Key management personnel compensation

Key management comprises of the Chief Executive Officer, Operations Manager, Business Manager, Financial Controller, Reservations Manager and Security Manager.

**PORT DENARAU MARINA LIMITED  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

**15. Related party disclosures (continued)**

**b) Related party transactions (continued)**

Key management personnel compensation (continued)

	2023	2022
	\$	\$
Short-term employee benefits	451,000	435,000
Post-employment benefits	<u>30,375</u>	<u>15,179</u>
	<u>481,375</u>	<u>450,179</u>

Other related party transactions

The Company had an interest-bearing loan payable to Skeggs Group Limited. Principal and interest on this loan was fully paid during the year. Detail of interest expense as follows:

	\$	\$
<u>Skeggs Group Limited</u>		
Interest charged on related party payable @4.55%	<u>29,595</u>	<u>47,143</u>

**c) Payable to related party**

Skeggs Group Limited	-	1,002,929
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*Disclosed as:*

Current	-	569,719
Non-current	<u>-</u>	<u>433,210</u>
	<u>-</u>	<u>1,002,929</u>

**d) Directors fees disclosure**

*Disclosed as:*

Fees accrued as at 31 July	13,000	10,833
Fees paid during the year*	<u>132,537</u>	<u>101,167</u>
	<u>145,537</u>	<u>112,000</u>

\* In 2019 during the Annual General Meeting (AGM), it was approved that \$300,000 will be paid in Directors Fee, however only \$132,537 was paid during the year.

**16. Right-of-use assets**

	\$	\$
Balance at 1 August	14,201,921	10,417,174
Change in fair value through other comprehensive income	2,559,581	3,920,041
Depreciation charge for the year	<u>(186,874)</u>	<u>(135,294)</u>
	<u>16,574,628</u>	<u>14,201,921</u>

The cost relating to variable lease payments that do not depend on an index or a rate amounted to \$23,709 for the year ended 31 July 2023. There were no leases with residual value guarantees or leases not yet commenced to which the company is committed.

**PORT DENARAU MARINA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

**16. Right-of-use assets (continued)**

Right-of-use assets relate to leasehold land which are utilized by the company as well as being leased out as part of investment properties. Right-of-use assets for accounting purpose are revalued in the same manner as the company's land-based assets. The Directors determine the fair value of the right-of-use assets at balance date with reference to a report by an independent registered valuer engaged by the Company to value the right-of-use asset as at 31 July 2023. The valuation was undertaken by independent valuer Jones Lang LaSalle.

<b>17. Lease liabilities</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Balance at 1 August	466,731	472,278
Accretion of interest	23,103	23,132
Payments	(2,094)	(28,679)
Credit adjustment to lease payment	(21,615)	-
	<u>466,125</u>	<u>466,731</u>
<i>Disclosed as:</i>		
Current	635	605
Non-current	465,490	466,126
	<u>466,125</u>	<u>466,731</u>
<b>18. Dividends payable</b>	<b>\$</b>	<b>\$</b>
Balance at 1 August	-	-
Arising during the year	1,148,000	-
Paid during the year	1,148,000	-
Balance at 31 July	<u>-</u>	<u>-</u>
<b>19. Expenditure commitments</b>	<b>\$</b>	<b>\$</b>
Capital expenditure commitments	<u>1,432,210</u>	<u>875,048</u>
<b>20. Contingencies</b>		
	<b>\$</b>	<b>\$</b>
<b>(a) Contingent liabilities</b>		
Guarantees and bonds	<u>248,973</u>	<u>248,973</u>
<b>21. Other components of equity (Asset revaluation reserve)</b>		
	<b>\$</b>	<b>\$</b>
Balance at the beginning of the year	11,393,151	7,751,334
Other comprehensive income for the year, net of tax	1,607,296	3,641,817
	<u>13,000,447</u>	<u>11,393,151</u>

**PORT DENARAU MARINA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

**1.5 Summary of significant accounting policies (continued)**

**f) Income tax (continued)**

**ii) Deferred tax (continued)**

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this assumption. Deferred tax assets and liabilities are offset only if certain criteria are met.

**g) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**h) Foreign currencies**

Foreign currency transactions are translated to Fiji dollars at rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies are converted to Fiji currency at the rates of exchange ruling at the balance sheet date. All exchange gains or losses whether realised or unrealised are included in the statement of comprehensive income.

**i) Revenue recognition**

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer. Revenue from the sale of goods is recognised at a point in time, when control of the goods has transferred to the buyer, usually on delivery of goods.

**j) Value Added Tax (VAT)**

Revenue, expenses and assets are recognised net of the amount of respective sales tax except:

- where the Value Added Tax incurred on the purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables that are stated with the amount of Value Added Tax included and payables that are stated with the amount of Value Added Tax included.

The net amount of Value Added Tax recoverable or payable to the tax authority is included as part of the receivables or payables in the statement of financial position.

**k) Comparatives**

Where necessary, the comparative figures have been adjusted to conform to changes in presentation in the current year.

**l) Deferred cost**

Dredging cost incurred is recognised as deferred cost and is amortised over a period of 10 years.

**m) Finance costs**

Finance costs include interest expense which is recognised using the effective interest method.

**n) Share capital**

Increment costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

**o) Employee benefits**

**i) Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**ii) Defined contribution plans**

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

**PORT DENARAU MARINA LIMITED  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

**22. Financial risk management objectives and policies (continued)**

**iii) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Prudent liquidity risk management implies maintaining sufficient cash, marketable securities, and the availability of funding through an adequate amount of committed credit facilities.

The Company's financial liabilities are all payable within the next 12 months, except for the non-current portion of the related party payable. The Company has access to cash and cash equivalents at balance date of \$3,707,941.

**iv) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amounts of financial assets represent the maximum credit exposure. Impairment losses on financial assets recognised in profit or loss were as follows:

**Trade receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. The Board has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered quarterly. Any sales exceeding those limits require approval from the risk management committee.

The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one and three months for individual and corporate customers respectively. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including their geographic location, trading history with the Company and existence of previous financial difficulties.

The company holds cash bond and bank guarantee on land-based tenancy.

**Expected credit loss assessment for customers as at 31 July 2023**

The following table provides information about the exposure to credit risk and expected credit loss ("ECL") for trade receivables for customers as at 31 July 2023 (all amounts expressed as % of loss rate).

Trade receivables	
Past Due	Historical loss rate
<30 days	0%
30-60 days	0%
61-90 days	0%
>91 days	11%

The Company uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.

Loss rates are based on actual credit loss experience over the past five years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

**PORT DENARAU MARINA LIMITED  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

**22. Financial risk management objectives and policies (continued)**

**Cash and cash equivalents**

The Company held cash and cash equivalents of \$3,707,941 at 31 July 2023 (2022: \$2,655,708). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA-, based on Moody's ratings. Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The Company uses a similar approach for assessment of ECLs for cash and cash equivalents to those securities.

**v) Operational risk**

The Company's operational risk management framework supports the achievement of the Company's financial and business goals. Operational risk is defined as the risk of economic gain or loss resulting from:

- Inadequate or failed internal processes and methodologies;
- People;
- Systems; or
- External events

The Chief Executive Officer is closely involved in the operational management of the Company on a daily basis. The Directors are also required to meet regularly to discuss matters of strengthening the operational environment.

**vi) Capital management**

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and a healthy capital ratio in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year 31 July 2023 and 31 July 2022. The Company monitors capital using a gearing ratio, which is net debt divided by total capital and net debt. The Company includes within net debt total liabilities less cash and cash equivalents. Capital includes equity attributable to equity holders.

	2023 \$	2022 \$
Total liabilities	5,614,641	4,414,979
Less: cash and cash equivalents	(3,707,941)	(2,655,708)
Net debt	1,906,700	1,759,271
Total capital	43,715,849	36,623,342
Total capital and net debt	45,622,549	38,382,613
Gearing ratio	4%	5%

**23. Financial instruments**

Set out below is a comparison by category of carrying amounts and fair values of all of the Company's financial instruments that are carried on the statement of financial position.

	Carrying amount		Fair value	
	2023 \$	2022 \$	2023 \$	2022 \$
<b>Financial assets</b>				
Cash and cash equivalents**	3,707,941	2,655,708	3,707,941	2,655,708
Trade receivables**	803,415	902,029	803,415	902,029
Prepayment and other receivables**	279,306	322,068	279,306	322,068
	<u>4,790,662</u>	<u>3,879,805</u>	<u>4,790,662</u>	<u>3,879,805</u>
<b>Financial liabilities</b>				
Trade and other payables**	590,294	831,887	590,294	831,887
Lease liabilities**	466,125	466,731	466,125	466,731
Payable to related party*	-	1,002,929	-	1,002,929
	<u>1,056,419</u>	<u>2,301,547</u>	<u>1,056,419</u>	<u>2,301,547</u>

**PORT DENARAU MARINA LIMITED  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023**

**23. Financial instruments (continued)**

\* This related party loan payable was settled in full during the year.

\*\* These are financial assets and liabilities not measured at fair value but for which their carrying value is a reasonable approximation of fair value.

**24. Subsequent events**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

**25. Principal business activities**

The principal activities of the Company during the financial year was the operation of a marina and marina related activities at Denarau Island. There were no significant changes to the activities during the year.

**26. Company details**

**Company incorporation**

The Company is incorporated in Fiji under the Companies Act, 2015.

**Registered office**

Denarau Island  
P O BOX 023  
Port Denarau, Fiji

**Principal place of business**

Denarau Island  
Nadi, Fiji

**Number of employees**

As at the end of reporting year, the Company employed a total of 26 (2022: 22) employees.

## Additional Information

### Top 20 Shareholder Report

**Security:** PDM PORT DENARAU MARINA LIMITED

**Share Class:** ORD Ordinary Shares

**As Of:** 31/07/2023

Shareholder Name	No. Of Shares	Total % Holding
SKEGGS GROUP LIMITED	28,208,374	70.52
BSP LIFE (FIJI) LIMITED	5,990,127	14.98
UNIT TRUST OF FIJI (TRUSTEE COMPANY) LTD	2,290,077	5.73
CARLISLE (FIJI) LIMITED	478,059	1.20
FIJICARE INSURANCE LIMITED	250,000	0.63
TRUSTEES FOR FIJI OF THE CHURCH OF ENGLAND	200,000	0.50
JP BAYLY TRUST	176,336	0.44
KHADIM HOLDINGS PTE LTD	100,000	0.25
RITESH SINGH	80,128	0.20
J SANTA RAM (STORES) LIMITED	80,000	0.20
RICKY D BREWER	77,000	0.19
JAIAWISH PRIVATE LIMITED	77,000	0.19
PRAVIN PATEL	57,252	0.14
KEN KUNG	50,000	0.13
UP-FRONT INVESTMENTS (1998) LIMITED	50,000	0.13
FHL TRUSTEES LIMITED ATF FIJIAN HOLDINGS UNIT TRUST	42,587	0.11
NARSEYS PLASTICS INDUSTRIES LIMITED	40,000	0.10
URMILA DEVI SINGH	40,000	0.10
PARKINSON HOLDINGS LTD	38,168	0.10
DEBORAH KEOLA YASMEEN DEAN	38,168	0.10
KOINONIA HILL PTE LTD	38,165	0.10
DAVID KELLNER	38,000	0.10
TUTANEKAI INVESTMENTS LIMITED	30,405	0.08
MAQAIVITI INVESTMENTS PTE LTD	25,000	0.06
RISHA HOLDINGS PTE LTD	25,000	0.06
<b>TOTALS:</b>	<b>38,519,846</b>	<b>96.34</b>

**Schedule of each class of shares held by Directors and Senior Management:**

Schedule of Shares	
SKEGGS GROUP LIMITED	28,208,374
KOINONIA HILL PTE LTD	38,165
SUBHASHNI RASCH	3,816
KAVEETA SINGH	2,000

### Shareholding Distribution

**Security:** PDM PORT DENARAU MARINA LIMITED  
**Share Class:** ORD Ordinary Shares

No Of Holders	Holdings	Percentage Holding
207	0 - 500	0.18
322	501 - 5,000	1.53
55	5001 - 10,000	1.10
22	10,001 - 20,000	0.83
3	20,001 - 30,000	0.18
7	30,001 - 40,000	0.66
3	40,001 - 50,000	0.36
6	50,001 - 100,000	1.18
4	100,001 - 1,000,000	2.76
3	> 1,000,000	91.22

### Share Price Details

Lowest Share Price	1.77
Highest Share Price	2.14
Share price as at 31st July 2023	2.13
Total Dividend Paid	1,148,000
Total Ordinary Shares	40,000,000
Dividend Per Share	2.87 cents
Net Tangible Assets	\$43,715,849
Total Ordinary Shares	40,000,000
Net Tangible Assets Per Share	\$1.09
Basic Earnings Per Share	\$0.17

### Attendance at Board Meetings

	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Apology Given
<b>Board Meeting</b>			
DAVID SKEGGS	5	5	-
MALAKAI NAIYAGA	5	5	-
BRUCE PHILLIPS	5	5	-
BRYAN SKEGGS	5	5	-
<b>Audit &amp; Risk Committee</b>			
BRUCE PHILLIPS (Chair)	1	1	
MALAKAI NAIYAGA	2	2	
DAVID SKEGGS	2	2	



**PORT DENARAU MARINA LIMITED  
NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 5<sup>th</sup> Annual General Meeting of Shareholders of Port Denarau Marina Limited (the “**Company**”), will be held at the Sails@Denarau, Yacht Club Building, First Floor, Port Denarau Marina, Denarau Island on Friday, 8<sup>th</sup> December 2023 at 12pm to transact the following business;

Attendees may attend in-person or on-line. The following options are available for the shareholders, media and other stakeholders to participate in the AGM:

1. Attend in Person
2. Attend on-line through Zoom
3. Attend via Proxy

Shareholders who wish to attend the AGM on-line through Zoom, must fill the Pre-Registration Form attached to this Notice and email the duly completed form to [secretary@denaraumarina.com](mailto:secretary@denaraumarina.com) before 12pm, 6<sup>th</sup> December 2023.

**ORDINARY BUSINESS:**

**1. Consideration of Financial Statements:**

To receive and consider the audited financial statements of the Company for the financial year ended 31 July 2023 together with the reports of the Board of Directors and Auditors thereon.

**2. Confirmation of Declaration of Dividend:**

The Board recommends that shareholders ratify that a final dividend of 2.5 cents per share be declared for the year ended 31 July 2023.

**3. Election of Director**

To consider and if thought fit, pass the following resolution as ordinary resolution:

- (a) To appoint Bryan John Skeggs, Director of the Company, who retires by rotation pursuant to Article 7.3 of the Articles of Association of the Company, and being eligible, is re-elected as a Director of the Company.

**4. Appointment of Auditors**

To re-appoint Auditors in accordance with Section 422 of the Companies Act 2015, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next AGM and authorise the Directors to fix their remuneration.

The Board to recommend the re-appointment of Ernst & Young as Auditors of the Company and that the Board be authorised to fix their remuneration.

**SPECIAL BUSINESS:**

All other business transacted at an AGM is special business.

Explanatory Notes containing information in relation to each of the above resolutions accompanies the Notice of Meeting.

By order of the Board of Directors.



Josephine Yee Joy  
Company Secretary  
Dated: 10<sup>th</sup> November, 2023

**NOTES:**

1. A member who is unable to attend the meeting is entitled to appoint a proxy to attend the meeting and vote on his behalf.
2. The proxy need not be a member of the company.
3. A proxy form is enclosed with this notice of meeting. To be effective the form must reach the registered office of the company not less than 48 hours before the time for holding the meeting.

**Explanatory Notes:**

This Explanatory Note is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the Notice of the Annual General Meeting. The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

The following information should be noted in respect of the various matters contained in the Notice of Meeting.

Item 1: Consideration of Financial Statements

As required by Section 401 of the Companies Act 2015, the Financial Report, the Directors' Report and the Auditor's Report of the Company for the recently completed financial year will be laid before the meeting. Shareholders will be provided with a reasonable opportunity to ask questions about or make comments on the management of the Company, However, there will be no formal resolution put to the meeting.

Questions that cannot be answered at the AGM needs to be addressed through a market announcement by the company within a reasonable timeframe.

Item 2: Declaration of Dividend

The Board recommends that Shareholders endorse the declaration of final dividend of 2.5 cents per share for the year ended 31 July 2023.

Item 3: Appointment of Director

- (a) The Board proposes that Bryan John Skeggs be appointed as Director of the Company pursuant to Article 7.3 of the Articles of Association of the Company. The Board considers that the nominated Director possesses attributes necessary for the development of the Company.

**Bryan John Skeggs**

A citizen of New Zealand, Bryan is a Director of Skeggs Group Ltd. which has interests in the Maritime, Seafood, Tourism, Wine and Property Industries. Bryan has spent a large proportion of his career at CEO level within the New Zealand Seafood Industry. He was responsible for all facets including Vessel Operations, Factory Management, Aquaculture Development and Farming, Sales and Marketing. He has spent many years on Industry Bodies at both Director and Chairmanship Level. Bryan holds a Bachelor of Commerce Degree from the University of Auckland.

Item 4: Appointment of Auditors

To re-appoint Auditors in accordance with Section 422 of the Companies Act 2015, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next AGM and authorise the Directors to fix their remuneration.

The Board to recommend the re-appointment of Ernst & Young as Auditors of the Company and that the Board be authorised to fix their remuneration.

**Proxies:** If you are unable to attend and vote at the Meeting and wish to appoint a person who is attending as your proxy, please complete the enclosed Form of Proxy. This form must be received by:

1. the Company at Port Denarau, Denarau Island, Fiji; or
2. Share Registry at Shop 1 and 11, Sabrina Building, Victoria Parade, Suva, Fiji; or
3. email address [secretary@denaraumarina.com](mailto:secretary@denaraumarina.com)

on or before 12pm, 6<sup>th</sup> December, 2023, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

## Proxy Form

[Section 157 and 158 of Companies Act 2015]

Name of the Member: \_\_\_\_\_

Registered Address: \_\_\_\_\_

SIN: \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ shares of the above-named Company, hereby appoint:

1. Name \_\_\_\_\_ of, \_\_\_\_\_, or failing that;
2. Name \_\_\_\_\_, of \_\_\_\_\_,

as my/our proxy to attend and vote on a show of hands and poll on my/our behalf at the Annual General Meeting of the Company to be held on Friday, 8<sup>th</sup> December 2023 at 12pm at Sails@Denarau, Yacht Club Building, First Floor, Port Denarau Marina, Denarau Island and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Resolution Number	Resolutions	*Optional [Mark X]		
		For	Against	Abstain
<b>Ordinary Business</b>				
1.	Consideration of Financial Statements			
2.	Confirmation of Declaration of Final Dividend of 2.5 cents per share			
3.	Appointment of Director (a) Bryan John Skeggs			
4.	Appointment of Auditors			
<b>Special Business</b>				
5.				

(Unless otherwise instructed, the proxy may vote as he thinks fit).

Signed this \_\_\_\_\_ day of \_\_\_\_\_.

Signature of Member(s) \_\_\_\_\_

### Notes:

1. \*It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For'/'Against'/'Abstain' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
2. If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority to conduct a poll.
3. This Proxy Form must be received by the Company at Port Denarau, Denarau Island, Fiji or Share Registry at Shop 1 and 11, Sabrina Building, Victoria Parade, Suva, Fiji or email address [secretary@denaraumarina.com](mailto:secretary@denaraumarina.com) on or before 12pm, 6<sup>th</sup> December 2023, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

**Appointment of Corporate Representative Form**

***APPOINTMENT OF CORPORATE REPRESENTATIVE***  
 [Pursuant to Section 160 of Companies Act 2015]

This form may be used by a company or other body corporate which is a security holder or which has been appointed as a proxy by a security holder.

\_\_\_\_\_

*Insert the name of the body corporate making the appointment*  
 Hereby Appoints

\_\_\_\_\_

*Insert the name of the appointee. Please note that multiple representatives can be appointed but only one representative may exercise the body corporate’s power at any one time.*

to act as its representative at  all meetings OR  the meeting to be held on \_\_\_\_\_  
 [Date]  
 of

\_\_\_\_\_

*Insert the name of the company holding the meeting*

**SIGNATURES – THIS MUST BE COMPLETED**

	<i>Director</i>	<i>Sole Director &amp; Sole Secretary</i>	
Common Seal (if applicable)			
	<i>Director/ Company Secretary</i>	<i>Date</i>	
	<b>Information</b>	/ /	

In order to be effective, the form must be received by the Company Secretary of Port Denarau Marina Limited before 12pm, 6th December 2023 as in the relevant company’s Articles of Association for receipt of Corporate Representative Appointments. The original of the form will be retained by the Company.

A body corporate may appoint an individual as a representative to exercise all or any of the powers the body corporate may exercise at meetings of a company’s members, creditors or debenture holders. The appointment maybe by reference to a position held provided that the appointment identifies the position.

The appointment must be executed in accordance with the body corporate’s Articles of Association and (if applicable) Section 53 of the Companies Act 2015. An appointment maybe a standing one, which will continue until revoked.

If more than one representative is appointed, only one representative may exercise the body corporate’s power at any one time.

**PRE-REGISTERING FORM FOR ONLINE ATTENDANCE**

I/We, named below, being a shareholder of the Company, wish to register my/our attendance for the Annual General Meeting through Zoom.

(Please tick only ONE box. Incomplete or incorrectly completed form will not be processed).

I wish to attend the Annual General Meeting via Zoom.

I / We understand that the Company shall be entitled to reject the Pre-registration Form which is incomplete, improperly completed, illegible or where true intentions of the shareholder of the Company are not ascertainable from the instructions specified in the Preregistration Form.

Name(s) of Shareholder(s): \_\_\_\_\_

Name of attendee: \_\_\_\_\_

Voter identification card number / Passport Number/ Company Registration Number: \_\_\_\_\_

Shareholder Identification Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Contact Number(s): \_\_\_\_\_

Signature(s): \_\_\_\_\_

Date: \_\_\_\_\_

\* Where authorised representative of a company or proxy holder for a shareholder.

**IMPORTANT:**

Please note the following:

1. Full name and voter identification card number/passport number(s)/ company registration number is required for the purposes of verification.
2. By completing and submitting this form, you agree and acknowledge that the Company and / or our service provider may collect, use and disclose your personal data, as contained in your submitted form for the purpose of processing and effecting your request.
3. Photographic, sound and/ or video recordings of the Company’s AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the Company’s AGM. Accordingly, the personal data of a shareholder of the Company (such as his name, his presence at the Company’s AGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.
4. Shareholders should raise their hand to vote.

NOTE: This duly completed Pre-registration Form must be emailed to [secretary@denaraumarina.com](mailto:secretary@denaraumarina.com) before 12pm, 6<sup>th</sup> December 2023.



PORTDENARAUMARINA

