

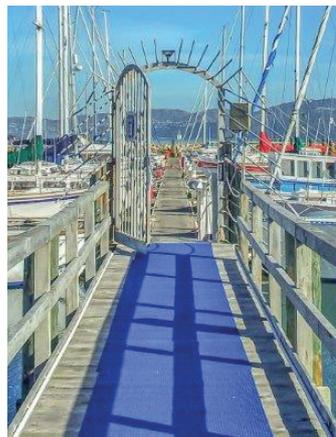


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# ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2016

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## CHAIRMAN'S AND CHIEF EXECUTIVE'S REPORT FOR THE YEAR ENDED 30 JUNE 2016

Seaview Marina Limited (The Company/SML) reported a surplus in Comprehensive Revenue for the year ended 30 June 2016 of \$316,221, an increase of 0.4% on the budgeted Comprehensive Revenue of \$314,835 and a 30% increase on the previous year's result of \$243,247. The rate of return on Equity was 6.2% compared with the Statement of Intent targeted rate of 5%.

### Financial Results

The Company's total revenue amounted to \$1,978,725, compared to last year's total of \$1,924,807, reflecting an increase of 2.8%. Total revenue exceeded the budgeted revenue of \$1,933,952 by 2.3%.

Within this total, Rents were \$1,754,495, with Berth and Trailer Park income amounting to \$1,327,645, which fell short of budget by 4.7% but were up \$77,652 (6.2%) on the previous year. Rental income from the Wellington Marine Centre building totalled \$250,171 and was short of budget by 11.3% but up 3.9% on the previous year. The boat haul-out and hardstand revenue amounted to \$160,597 meeting budget and reflected an increase over the previous year of 5.2%

Total expenditure for the year amounted to \$1,662,504, which was 1.1% less than the previous year.

Employment cost of \$319,369 exceeded budget by 5.7% and represented an increase over the previous year of 0.4%. Operating Expenditure amounted to \$644,214 which was less than budget by \$32,155 (4.7%). Total Diesel margin was \$21,939 representing a gross margin of 15.2%, compared to the previous year's margin of 9.9%. Depreciation and Amortisation cost was \$392,381 compared with the budgeted level of \$379,230.

The postponement of the construction of the Commercial Pier development resulted in the Company's interest being \$184,740; less than budget by \$76,812.

The Company's total Equity as at the end of the Financial Year was \$5,413,417 compared to last year's position of \$5,097,198 reflecting the increase of \$316,221 (6.2%).

### Operational Results

The marine berth occupancy was lower than budgeted. The additional 48 berths constructed in the previous financial year did not fill to the extent anticipated. On the other hand the trailer boat storage improved each month and over the last six months has been close to 100% occupied.

Live-aboard vessel numbers have increased progressively over the year with 44 boats now having live-aboard status. This has provided the marina with additional income but more importantly added security to the marina.

The hardstand business reversed the trend of the last few financial years as it achieved 100% of budgeted income. The increasing recognition of the facility and services associated with the Wellington Marine Centre has seen more vessels lifted onto the hardstand by vessels from outside the marina.

The Wellington Marine Centre was not fully leased for the entire year, however, three long term tenants were secured for units 2, 4 and 7 in September 2015. At the end of the 2015-16 financial year only unit 12, the sail loft, remained untenanted.

The trailer boat ramp reached target which was assisted by the excellent summer and the mild autumn. Net diesel income for the year showed a significant improvement over previous years with an income of \$21,939, double what was budgeted.

**Key Performance Indicators:**

<b>MEASURE</b>	<b>2016 ACHIEVED</b>	<b>2016 TARGET</b>	<b>2015 ACHIEVED</b>	<b>2014 ACHIEVED</b>
Berth Occupancy	83.2%	94.0%	86.6%	93.0%
Number of Berths	319	319	319	261
Trailer Boat Park Occupancy	98.4	96.0%	94.0%	90.0%
Number of Trailer Parks	248	248	248	238
Total Revenue	\$1,978,725	\$1,933,952	\$1,924,807	\$2,003,925
Net Surplus	\$316,221	\$314,835	\$243,247	\$209,571
Rate of Return	6.2%	5.0%	5.0%	4.5%

**Capital Expenditure**

After significant capital development in the previous financial year, with the construction of 48 new berths, the Board agreed to restrict further in-water development until berth occupancies improved. The Commercial Pier Stage 1 project (\$1,800,000) was rescheduled for consideration again in 2016-17. The other large project which was undertaken was the development of Pier H, with gangway access, which was completed on budget. This has provided H and G Piers with protection from strong southerly storm conditions. Other minor capital projects, with the exception of \$50,000 allocated to the Unit 9 café, were completed. The café project has failed to gain traction.

**Health and Safety**

Seaview Marina is committed to providing a safe working environment for staff, licensees, contractors and the general public.

Over the 2015-16 financial year there were no notifiable Health and Safety issues.

The Board has established a formal Health and Safety reporting procedure at monthly board meetings. With the new Health and Safety legislation, which came into force on 4th April 2016, the Board has directed that staff and management review all systems and processes to ensure the Company has a fully compliant Health and Safety regime.

**Conclusion**

This has been a successful year and I would like to thank my fellow directors, Arthur Stewart and Chris Milne for the significant contribution they have made in guiding the business over the last twelve months. Credit must also go to the efforts of the marina staff of Suzanne Willis, Mike Croft, Ali Watt, Tony Kelly and Alan McLellan our Chief Executive, for their efforts in the day to day management of the business. Our appreciation must also go to our Shareholder, Hutt City Council, for their on-going support and encouragement.



**Brian Walshe**  
Chairman



**Alan McLellan**  
CEO

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## INDEPENDENT AUDITORS REPORT

### TO THE READERS OF SEAVIEW MARINA LIMITED'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2016

The Auditor-General is the auditor of Seaview Marina Limited (the company). The Auditor-General has appointed me, Andrew Clark, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company on her behalf.

#### **Opinion on the financial statements and the performance information**

##### *We have audited:*

- the financial statements of the company on pages 12 to 28, that comprise the statement of financial position as at 30 June 2016, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on pages 30 to 34.

##### *In our opinion:*

- The financial statements of the company:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2016; and*
    - its financial performance and cash flows for the year then ended; and*
  - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Standards Reduced Disclosure Regime.
- The performance information of the company presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2016.

Our audit was completed on 30 September 2016. This is the date at which our opinion is expressed.

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

### Basis of opinion

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

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

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

*An audit also involves evaluating:*

- the appropriateness of accounting policies used and whether they have been consistently applied; the reasonableness of the significant accounting estimates and judgements made by the Board of Directors;
- the appropriateness of the reported performance information within the company's framework for reporting performance;
- the adequacy of the disclosures in the financial statements and in the performance information; and
- the overall presentation of the financial statements and the performance information.

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

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

### Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and fair presentation of financial statements for the company that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparation of the performance information for the company.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

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

### **Responsibilities of the Auditor**

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

### **Independence**

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

Other than the audit, we have no relationship with or interests in the company.

A handwritten signature in black ink that reads "Andrew Clark". The signature is written in a cursive style and is slanted upwards to the right.

**Andrew Clark**

*Audit New Zealand*

On behalf of the Auditor-General  
Wellington, New Zealand

## STATEMENT OF COMPLIANCE



### STATEMENT OF COMPLIANCE AND RESPONSIBILITY

The Board and management of Seaview Marina Limited confirm that all statutory requirements in relation to the annual report, as outlined in the Local Government Act 2002, have been complied with.

### RESPONSIBILITY

The Directors and management of the Company accept responsibility for the preparation of the annual Financial Statements and the Statement of Service Performance and the judgements used in them. The Directors have authority to sign these financial statements. The Directors and management of the Company accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. In the opinion of the Directors and management of the Company, the annual Financial Statements and the Statement of Service Performance for the year ended 30 June 2016 fairly reflect the financial position and operations of the Company.

**Brian Walshe**

Chairman

30 September 2016

**Chris Milne**

Director

30 September 2016

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Note	Actual 2016	Budget 2016	Actual 2015
<b>INCOME</b>				
Rentals	2	1,754,495	1,872,952	1,664,318
Other user charges		57,930	-0	55,544
Diesel sales		143,739	-0	171,236
Other revenue		22,561	61,000	33,709
<b>Total revenue</b>		<b>1,978,725</b>	<b>1,933,952</b>	<b>1,924,807</b>
<b>EXPENSES</b>				
Employee costs	4	319,369	301,966	318,112
Operating expenses	5	644,214	676,369	666,909
Finance costs	3	184,740	261,552	170,554
Cost of diesel sales		121,800	-0	154,267
Depreciation and amortisation	11 & 12	392,381	379,230	371,718
<b>Total expenses</b>		<b>1,662,504</b>	<b>1,619,117</b>	<b>1,681,560</b>
<b>Surplus/(Deficit) before tax</b>		<b>316,221</b>	<b>314,835</b>	<b>243,247</b>
Income tax expense	6	-	-0	-0
<b>Surplus/(Deficit) After Tax</b>		<b>316,221</b>	<b>314,835</b>	<b>243,247</b>
<b>Surplus/(Deficit) attributable to: Seaview Marina Limited</b>		<b>316,221</b>	<b>314,835</b>	<b>243,247</b>
<b>Total Comprehensive Revenue and Expenses</b>		<b>316,221</b>	<b>314,835</b>	<b>243,247</b>
<b>Total Comprehensive Revenue and Expenses Attributed to: Seaview Marina Limited</b>		<b>316,221</b>	<b>314,835</b>	<b>243,247</b>

Explanation of major variances against budget are provided in note 26. The accompanying notes form part of these statements.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Actual 2016	Budget 2016	Actual 2015
Balance at 1 July	5,097,197	5,103,797	4,853,950
Total comprehensive revenue and expenses for the year	316,221	314,836	243,247
	-0	-0	-0
Total comprehensive revenue and expenses for the year	316,221	314,836	243,247
<b>Balance at 30 June</b>	<b>5,413,418</b>	<b>5,418,633</b>	<b>5,097,197</b>

Explanation of major variances against budget are provided in note 26. The accompanying notes form part of these statements.

## STATEMENT OF FINANCIAL POSITION AS AT ENDED 30 JUNE 2016

	Note	Actual 2016	Budget 2016	Actual 2015
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	7	232,082	50,484	198,994
Debtors and other receivables	8	11,604	21,430	22,982
Inventories	10	3,293	-0	438
Prepayments		4,414	2,601	10,463
<b>Total current assets</b>		<b>251,393</b>	<b>74,515</b>	<b>232,877</b>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	11	8,386,627	9,883,460	8,191,318
Intangible assets	12	1,438	-0	1,573
Assets under construction		19,575	-0	23,976
<b>Total non-current assets</b>		<b>8,407,640</b>	<b>9,883,460</b>	<b>8,216,867</b>
<b>Total assets</b>		<b>8,659,033</b>	<b>9,957,975</b>	<b>8,449,744</b>
<b>CURRENT LIABILITIES</b>				
Borrowings	14	-0	-0	-0
Creditors and other payables	13	81,435	99,455	74,894
Employee entitlements	15	15,106	20,537	16,189
Other liabilities	16	449,074	-0	561,464
<b>Total current liabilities</b>		<b>545,615</b>	<b>119,992</b>	<b>652,547</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	14	2,700,000	4,419,350	2,700,000
<b>Total non-current liabilities</b>		<b>2,700,000</b>	<b>4,419,350</b>	<b>2,700,000</b>
<b>TOTAL LIABILITIES</b>		<b>3,245,615</b>	<b>4,539,342</b>	<b>3,352,547</b>
<b>Net assets (assets minus liabilities)</b>	17	<b>5,413,418</b>	<b>5,418,633</b>	<b>5,097,197</b>
<b>EQUITY</b>				
Accumulated funds	17	(15,868,485)	(15,863,270)	(16,184,706)
Share capital		21,281,903	21,281,903	21,281,903
<b>Total equity attributable to Seaview Marina Limited</b>	17	<b>5,413,418</b>	<b>5,418,633</b>	<b>5,097,197</b>

Explanation of major variances against budget are provided in note 25. The accompanying notes form part of these statements.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	Actual 2016	Actual 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<i>Cash was provided from:</i>		
Receipts from rentals	1,769,737	1,665,597
Receipts from user charges and other income	224,230	256,911
	<b>1,993,967</b>	<b>1,922,508</b>
<i>Cash was applied to:</i>		
Payments to employees	(320,452)	(322,460)
Payments to suppliers	(760,141)	(695,255)
Interest paid	(184,740)	(170,554)
	<b>(1,265,333)</b>	<b>(1,188,269)</b>
<b>Net cash flows from operating activities</b>	<b>728,634</b>	<b>734,239</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<i>Cash was provided from:</i>		
Sale of assets held for sale	-0	21,500
	<b>-0</b>	<b>21,500</b>
<i>Cash was applied to:</i>		
Purchase of property, plant and equipment	(583,156)	(1,121,544)
	<b>(583,156)</b>	<b>(1,121,544)</b>
<b>Net cash flows from investing activities</b>	<b>(583,156)</b>	<b>(1,100,044)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<i>Cash was provided from:</i>		
Proceeds from borrowings - Hutt City Council	-0	491,350
	<b>-0</b>	<b>491,350</b>
<i>Cash was applied to:</i>		
Repayment of borrowings - Hutt City Council	(112,390)	-0
	<b>(112,390)</b>	<b>-0</b>
<b>Net cash flows from financing activities</b>	<b>(112,390)</b>	<b>491,350</b>
Net increase/(decrease) in cash, and cash equivalents and bank overdrafts	33,088	125,545
Cash, and cash equivalents and bank overdrafts at the beginning of the year	198,994	73,449
<b>Cash, and cash equivalents and bank overdrafts at the end of the year</b>	<b>232,082</b>	<b>198,994</b>

Explanation of major variances against budget are provided in note 26. The accompanying notes form part of these statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. STATEMENT OF ACCOUNTING POLICIES

### REPORTING ENTITY

Seaview Marina Limited (SML) is a council controlled organisation 100 percent owned by Hutt City Council.

The primary objective of the SML is the operation of a marina which benefits the community of Hutt City. SML is designated a public benefit entity for financial reporting purposes.

The financial statements of SML are for the year ended 30 June 2016. The financial statements were authorised for issue by the Board of Directors on 30 September 2016.

### BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

### Statement of compliance

These financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). They comply with NZIFRS and other applicable Financial Reporting Standards, as appropriate for public benefit entities (PBE) that apply for differential reporting concessions in accordance with PBE IPSAS as appropriate for Tier 2. As SML's total expense are under \$30,000,000, it falls outside of the definition for public accountability as defined by the IASB.

### Measurement base

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared on a historical cost basis.

### Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values have been rounded to the nearest dollar. The functional currency of SML is New Zealand dollars.

### Changes in accounting policies

There have been no changes in accounting policies during the financial year.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Revenue

Revenue is measured at the fair value of consideration received.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Sales of goods are recognised when a product is sold to the customer. The recorded revenue is the gross amount of the sale, including credit card fees payable for the transaction. Such fees are included in other expenses.

Interest revenue is recognised using the effective interest method.

### Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

### Trade debtors and other receivables

Trade debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

### Inventory

Inventory is recorded at cost on a first in – first out basis.

### Property, plant and equipment

All asset classes are measured at cost less accumulated depreciation and impairment losses.

*Additions:* Expenditure of a capital nature of \$500 or more has been capitalised. Expenditure of less than \$500 has been charged to operating expenditure. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to SML and the cost of the item can be measured reliably.

Labour costs relating to self-constructed assets are capitalised if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to SML and the cost of the item can be measured reliably.

Work and progress is recognised at cost less impairment and is not depreciated.

*Disposals:* Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are recognised in the Statement of Comprehensive revenue and expense.

*Subsequent costs:* Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to SML and the cost of the item can be measured reliably.

All assets are valued at historical cost, adjusted for accumulated depreciation. Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The straight-line depreciation rates are as follows:

Property, plant and equipment consist of the following asset classes: land, buildings, leasehold improvements, furniture and office equipment and motor vehicles.

## NOTES TO THE FINANCIAL STATEMENTS

Estimated economic lives	Years	Rate
Buildings	5 - 33	3% - 20%
Service Centre, hardstand, travel lift	2 - 77	1.3% - 50%
Site improvements	3 - 60	1.7% - 33.3%
Piers and marina berths	4 - 30	3.3% - 25%
Plant and equipment	1.5 - 66	1.5% - 67%
Vehicles	5	20%

The residual value and useful life of an asset is reviewed and adjusted if applicable at each financial year end.

### Intangible assets

*Software acquisition and development:* Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by SML, are recognised as an intangible asset.

*Amortisation:* The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Statement of Comprehensive revenue and expense.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Estimated economic lives	Years	Rate
Computer software	2.5 - 33	3% - 40%

### Impairment of non-financial assets

Assets with a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. The total impairment loss is recognised in the Statement of Comprehensive revenue and expense..

### Goods and services Tax

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

Commitments and contingencies are disclosed exclusive of GST.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities is classified as an operating cash flow in the statement of cash flows.

### Employee entitlements

*Short-term entitlements:* Employee benefits that SML expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

SML recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that SML anticipates it will be used by staff to cover those future absences.

SML recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

### Payables

Short term creditors and other payables are recorded at their face value.

### Provisions

SML recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

### Borrowings

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless SML has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

### Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

## NOTES TO THE FINANCIAL STATEMENTS

### Income tax

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, and any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

### Leases

*Operating leases:* An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

*Finance leases:* SML has not entered into any material finance leases.

### Financial instruments

The Company is party to financial instrument arrangements as part of its normal operation. Revenue and expenses in relation to all financial instruments are recognised in the Statement of Comprehensive Revenue and Expenses.

All financial instruments are recognised in the Statement of Financial Position on the basis of the Company's accounting policies. All financial instruments disclosed on the Statement of Financial Position are recorded at fair value.

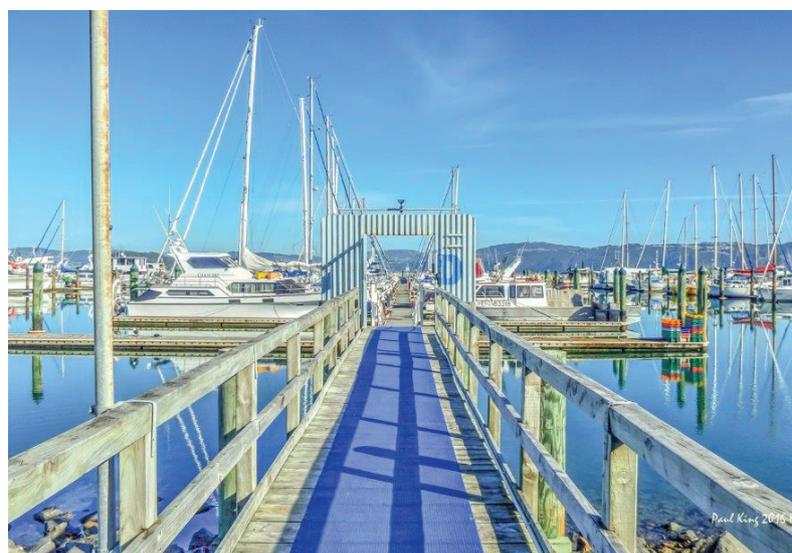
### Budget figures

The budget figures are those approved by the Board at the beginning of the year. The budget figures have been prepared in accordance with generally accepted accounting practice (GAAP), using accounting policies that are consistent with those adopted by the Board for the preparation of the financial statements.

### Critical accounting estimates and assumptions

In preparing these financial statements SML has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the reporting period in which the revision is made and in any future periods that will be affected by those provisions. Assumptions have been made for the useful lives of property, plant and equipment and intangible assets as noted above and in note 11 and 12. There have been no critical judgements made.



## NOTES TO THE FINANCIAL STATEMENTS

<b>2. RENTAL INCOME</b>	<b>2016</b>	<b>2015</b>
Berth and trailer park rentals	1,327,645	1,249,992
Boat lifts and hard stand rentals	160,597	152,562
Sea Centre rentals	250,171	240,758
Other rentals	16,082	21,006
<b>Total rental income</b>	<b>1,754,495</b>	<b>1,664,318</b>

<b>3. INTEREST REVENUE AND FINANCE COSTS</b>	<b>2016</b>	<b>2015</b>
Interest revenue		
Interest revenue		
- call and term deposits	-0	-0
- related party deposits	-0	-0
<b>Total interest revenue</b>	<b>- 0</b>	<b>-0</b>

Finance costs		
Interest cost		
- call and term loans	-0	-0
- related party loans	184,740	170,554
<b>Total finance expense</b>	<b>184,740</b>	<b>170,554</b>

<b>Net finance costs</b>	<b>(184,740)</b>	<b>(170,554)</b>
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<b>4. PERSONNEL COSTS</b>	<b>2016</b>	<b>2015</b>
Salaries and wages	313,276	310,879
Employer contributions to defined contribution plans	- 0	-0
Training	2,999	5,940
Other employee expenses	4,660	5,641
Increase/(decrease) in employee entitlements/liabilities	(1,566)	(4,348)
<b>Total personnel expenses</b>	<b>319,369</b>	<b>318,112</b>

## NOTES TO THE FINANCIAL STATEMENTS

<b>5. OPERATING EXPENSES</b>	<b>2016</b>	<b>2015</b>
Auditors' fees for the audit of the financial statements	14,111	13,815
Impairment of receivables	(8,214)	632
Bad Debts Written Off	190	617
Directors' fees	43,780	43,635
Donations	-0	-0
Electricity	20,194	16,915
Equipment purchases	4,977	10,376
Insurance expenses	126,062	109,692
Maintenance	40,478	65,537
Legal services	5,228	5,521
Other specialist services	34,568	57,894
Printing and stationery	4,533	4,741
Professional services charges - Hutt City Council	26,000	26,000
Promotion expenses	16,889	4,814
Operational contracts	183,718	171,336
Vehicle expenses	590	1,850
Rates and water charges - Hutt City Council	84,025	87,581
Loss on disposal of assets	-0	-0
Impairment of assets held for sale	-0	-0
Other expenses	47,085	45,953
<b>Total operating expenses</b>	<b>644,214</b>	<b>666,909</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 6. TAXATION

	2016	2015
Net surplus/(deficit) before tax	316,221	243,247
Tax at 28%	88,542	68,109
Non-deductable expenditure	140	551
Prior year adjustment	-0	-0
Deferred tax adjustment	(88,682)	(68,660)
Tax expense	-0	-0
Current tax	-0	-0
Deferred tax	-0	-0

There are no imputation credits available for use

### Deferred tax asset (liability)

	Property, Plant & Equipment	Employee Entitlements	Other Provisions	Tax Losses	Total
Balance at 30 June 2014	(769,118)	5,750	4,521	758,847	-0
Charged to surplus or deficit	157,481	(1,217)	(366)	(155,898)	-0
Charged to other comprehensive income	-0	-0	-0	-0	-0
<b>Balance at 30 June 2015</b>	<b>(611,637)</b>	<b>4,533</b>	<b>4,155</b>	<b>602,949</b>	<b>-0</b>
Charged to surplus or deficit	(6,635)	(303)	(2,128)	9,066	-0
Charged to other comprehensive income	-0	-0	-0	-0	-0
<b>Balance at 30 June 2016</b>	<b>(618,272)</b>	<b>4,230</b>	<b>2,027</b>	<b>612,015</b>	<b>-0</b>

A deferred tax asset has not been recognised in relation to tax losses of \$8,278,780 (2015: \$8,778,314) with a tax effect of \$2,318,059 (2015: \$2,457,927). The losses are available to offset against future taxable income.

### 7. CASH AND CASH EQUIVALENTS

	2016	2015
Cash at bank and on hand	232,082	198,994
Term deposits with maturities less than three months at acquisition	-0	-0
<b>Total cash and cash equivalents</b>	<b>232,082</b>	<b>198,994</b>

The carrying value of cash at bank and term deposits with maturities less than three months approximate their fair value. Seaview Marina Limited does not hold funds (included in cash or cash equivalents) with restrictions specifying how the funds are to be spent.

Cash, cash equivalent and bank overdrafts include the following for the purposes of the statement of cash flows.

	2016	2015
Cash at bank and on hand	232,082	198,994
Term deposits with maturities less than three months at acquisition	-0	-0
Bank overdrafts	-0	-0
<b>Total</b>	<b>232,082</b>	<b>198,994</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 8. DEBTORS AND OTHER RECEIVABLES

	2016	2015
Rental receivable	15,763	35,356
Other receivables:		
- Other receivables	-0	-0
Gross debtors and other receivables	15,763	35,356
Less provision for impairment	(4,159)	(12,374)
<b>Total debtors and other receivables</b>	<b>11,604</b>	<b>22,982</b>

#### Fair value

Debtors and other receivables are non-interest bearing and receipts is normally on 30-day terms, therefore the carrying value of debtors and other receivables approximates their fair value.

#### Impairment

The carrying amount of receivables that would otherwise be past due or impaired, whose terms have been renegotiated is \$nil (2015: \$nil)

### 9. DEBTORS AND OTHER RECEIVABLES (CONTINUED)

The impairment provision has been calculated based on expected losses for the Marina's pool of debtors. Expected losses have been determined based on an analysis of the Marina's losses in previous periods, and review of specific debtors as detailed below:

	2016	2015
Individual impairment	4,159	12,374
Collective impairment	-0	-0
<b>Total provision for impairment</b>	<b>4,159</b>	<b>12,374</b>

Movements in the provisions for impairment of receivables are as follows:

	2016	2015
<b>At 1 July</b>	(12,374)	(11,742)
Additional provisions made during the year	(4,349)	(12,991)
Provisions reversed during the year	12,374	11,742
Receivables written-off during the period	190	617
<b>At 30 June</b>	<b>(4,159)</b>	<b>(12,374)</b>

At 30 June 2016 the Marina held one boat as collateral for an unpaid debt. No other collateral, as security or other credit enhancements over receivables that are either past due or impaired, are held.

### 10. INVENTORIES

	2016	2015
<i>Commercial inventories held for sale:</i>		
Diesel	3,293	438
Other items	-0	-0
	<b>3,293</b>	<b>438</b>

No inventories are pledged as security for liabilities (2015: \$nil).

#### Commercial inventories

Are valued at cost, as there are no impairments of the inventories.

## NOTES TO THE FINANCIAL STATEMENTS

### 11. PROPERTY, PLANT AND EQUIPMENT

Movements for each class of property, plant and equipment are as follows:

	Opening			Movements during the year		
	Cost/valuation	Accumulated depreciation and impairment charges	Carrying amount	Additions	Disposals	Category Adjustments to cost
<b>2016</b>						
Operational assets						
Land	447,158	- 0	447,158	-0	- 0	-0
Site improvements	992,815	(262,748)	730,066	392,048	-0	-0
Buildings	340,691	(100,060)	240,631	-0	- 0	-0
Service Centre/ Hardstand/Travel Lift	3,783,980	(496,081)	3,287,900	3,412	-0	-0
Plant and equipment	1,602,394	(760,004)	842,390	135,801	-0	-0
Vehicle	13,958	(13,799)	159	-0	-0	- 0
Piers and Marina Berths	3,802,706	(1,159,692)	2,643,014	56,293	- 0	- 0
<b>Total operational assets</b>	<b>10,983,702</b>	<b>(2,792,384)</b>	<b>8,191,316</b>	<b>587,554</b>	<b>-0</b>	<b>- 0</b>
<b>2015</b>						
Operational assets						
Land	447,158	-0	447,158	-0	-0	-0
Site improvements	865,569	(211,686)	653,883	127,246	-0	-0
Buildings	340,691	(89,139)	251,552	-0	-0	-0
Service Centre/ Hardstand/Travel Lift	3,762,626	(393,259)	3,369,367	21,354	-0	-0
Plant and equipment	1,555,173	(678,369)	876,804	47,221	-0	-0
Vehicle	66,123	(42,164)	23,959	-0	(52,165)	-0
Piers and Marina Berths	2,876,983	(1,041,304)	1,835,679	925,723	-0	-0
<b>Total operational assets</b>	<b>9,914,323</b>	<b>(2,455,921)</b>	<b>7,458,402</b>	<b>1,121,544</b>	<b>(52,165)</b>	<b>-0</b>

### VALUATION

Assets held by Seaview Marina are recorded at deemed cost or actual cost and are not revalued.

### 12. INTANGIBLE ASSETS

	Opening			Movements during the year		
	Cost/ valuation	Accumulated depreciation and impairment charges	Carrying amount	Additions	Disposals	Category Adjustments to cost
<b>2016</b>						
Intangibles Software	54,554	(52,981)	1,573	-0	- 0	-0
<b>2015</b>						
Intangibles Software	54,554	(51,970)	2,584	- 0	-0	-0

## NOTES TO THE FINANCIAL STATEMENTS

Impairment charges	Depreciation	Depreciation on disposals	Category Adjustments to Depreciation	Cost/valuation	Closing	
					Accumulated depreciation and impairment charges	Carrying amount
-0	-0	-0	-0	447,158	-0	447,158
-0	(61,616)	-0	-0	1,384,862	(324,364)	1,060,499
-0	(10,305)	-0	-0	340,691	(110,365)	230,325
-0	(103,520)	-0	-0	3,787,393	(599,600)	3,187,793
-0	(82,641)	-0	-0	1,738,194	(842,645)	895,550
-0	(159)	-0	-0	13,958	(13,958)	-0
-0	(134,005)	-0	-0	3,858,999	(1,293,698)	2,565,302
<b>-0</b>	<b>(392,245)</b>	<b>-0</b>	<b>-0</b>	<b>11,571,255</b>	<b>(3,184,629)</b>	<b>8,386,627</b>

-0	-0	-0	-0	447,158	-0	447,158
-0	(51,062)	-0	-0	992,815	(262,748)	730,067
-0	(10,921)	-0	-0	340,691	(100,060)	240,631
-0	(102,822)	-0	-0	3,783,980	(496,081)	3,287,899
-0	(81,635)	-0	-0	1,602,394	(760,004)	842,390
-0	(5,879)	34,244	-0	13,958	(13,799)	159
-0	(118,388)	-0	-0	3,802,706	(1,159,692)	2,643,014
<b>-0</b>	<b>(370,707)</b>	<b>34,244</b>	<b>-0</b>	<b>10,983,702</b>	<b>(2,792,384)</b>	<b>8,191,318</b>

Impairment charges	Depreciation	Depreciation on disposals	Cost/valuation	Closing	
				Accumulated depreciation and impairment charges	Carrying amount
-0	(135)	-0	54,554	(53,116)	1,438
-0	(1,011)	-0	54,554	(52,981)	1,573

## NOTES TO THE FINANCIAL STATEMENTS

<b>13. TRADE AND OTHER PAYABLES</b>	<b>2016</b>	<b>2015</b>
Deposits and bonds	1,770	1,770
Accrued expenses	52,477	49,800
Rentals in advance	27,188	23,324
	<b>81,435</b>	<b>74,894</b>

Creditors and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of creditors and other payables approximate their fair value.

<b>14. BORROWINGS</b>	<b>2016</b>	<b>2015</b>
<b>CURRENT PORTION</b>		
Loans from related parties	-0	-0
<b>Total current portion</b>	<b>-0</b>	<b>-0</b>
<b>NON-CURRENT PORTION</b>		
Loans from related parties	2,700,000	2,700,000
<b>Total non-current portion</b>	<b>2,700,000</b>	<b>2,700,000</b>
<b>Total borrowing</b>	<b>2,700,000</b>	<b>2,700,000</b>

Borrowings from Hutt City Council are issued at the 3 month BKBM FRA Rate plus a margin of 200 basis points. The maximum amount to be advanced at any time during the term of loan shall not exceed \$3,500,000.

<b>15. EMPLOYEE ENTITLEMENTS</b>	<b>2016</b>	<b>2015</b>
<b>CURRENT PORTION</b>		
Annual leave	15,106	16,189
<b>Total employee entitlements - current portion</b>	<b>15,106</b>	<b>16,189</b>
<b>Total employee entitlements</b>	<b>15,106</b>	<b>16,189</b>

<b>16. OTHER LIABILITIES</b>	<b>2016</b>	<b>2015</b>
<b>CURRENT PORTION</b>		
Due to related parties (refer to note 22)	449,074	561,464
<b>Total other liabilities - current portion</b>	<b>449,074</b>	<b>561,464</b>
<b>Total other liabilities</b>	<b>449,074</b>	<b>561,464</b>

## NOTES TO THE FINANCIAL STATEMENTS

<b>17. EQUITY</b>	<b>2016</b>	<b>2015</b>
<b>ACCUMULATED FUNDS</b>		
Balance at beginning of the year	(16,184,706)	(16,427,953)
Net surplus/(deficit) after tax	316,221	243,247
<b>Balance at end of the year</b>	<b>(15,868,485)</b>	<b>(16,184,706)</b>
<b>TOTAL EQUITY</b>		
Balance at beginning of the year	5,097,197	4,853,950
Movements during the year	316,221	243,247
<b>Balance at end of the year</b>	<b>5,413,418</b>	<b>5,097,197</b>
<b>18. CATEGORIES OF FINANCIAL INSTRUMENTS</b>		
<b>FINANCIAL ASSETS</b>		
Loans and receivables		
Cash and cash equivalents	232,082	198,994
Debtors and other receivables	11,604	22,982
Other financial assets:		
- loans to related parties	-0	-0
<b>Total financial assets</b>	<b>243,686</b>	<b>221,976</b>
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities at amortised cost		
Trade and other payables	81,435	74,894
<b>Total financial liabilities at amortised cost</b>	<b>81,435</b>	<b>74,894</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 19. REMUNERATION

	2016				2015			
	Salary	Short term benefits	Post employment benefits	Total Remuneration	Salary	Short term benefits	Post employment benefits	Total Remuneration
Marina Manager	128,389	0	3,852	<b>132,241</b>	124,074	3,493	3,722	<b>131,289</b>

#### Key management personnel compensation

Key management personnel consist of the Marina Manager and Board members.

	2016	2015
Salaries	172,170	167,709
Short term benefits	0	3,493
Post employment benefits	3,852	3,722
<b>Total Remuneration</b>	<b>176,022</b>	<b>174,924</b>

#### Remuneration of Board Members

	2015	2015
B Walshe (Chairman from Apr 2012)	18,763	18,701
A Stewart	12,509	12,467
C Milne	12,509	12,467
<b>Total</b>	<b>43,781</b>	<b>43,635</b>
<b>Number of Board members ***</b>	<b>3.00</b>	<b>3.00</b>

Board member remuneration was increased from 1 January 2016

#### Employee Remuneration

#### Employee Full-time equivalents by Remuneration Band

Total remuneration paid or payable by band:	2015	2015
< \$60,000	3.2	3.2
\$130,000-\$140,000	1.0	1.0
<b>Total employees</b>	<b>4.2</b>	<b>4.2</b>

Total remuneration includes any non-financial benefits provided to employees.

At balance date, Seaview Marina Limited employed 4.2 full time employees (2015: 4.2)

A full time employee is determined on the basis of a 40 hour working week.

\*\*\* Due to the difficulty in determining the full-time equivalent for Board members, the full-time equivalent figure is taken as the number of Board members.

#### Severance Payments

No severance payments were made by the Marina during the year (2015: \$1,500).

## NOTES TO THE FINANCIAL STATEMENTS

### 20. INTEREST REGISTER

<b>Brian Walshe</b> Burdans Gate Properties Limited Adelaide Commercial Limited Gracefield Investments (Hutt) Limited Chairman, Urban Plus Limited Director / Shareholder, Scratch Design (NZ) Limited Chairman, Kenway Property Consultants' Advisory Board Advisory Board, City Stay Apartments Advisory Board, Cintegral Group Limited Board, Laura Ferguson Trust	<b>Chris Milne</b> Partner, Acadia Associates Councillor, Hutt City Council Trustee, Nga Manu Nature Reserve Chair, Nikau Foundation Chair, Technology Valley Trustee, Community Foundations of New Zealand
	<b>Arthur Stewart</b> Principle, Arthur Stewart Limited (trading as Stewart Property Solutions) Director, Urban Plus Limited

### 21. RELATED PARTIES DISCLOSURES

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Council and group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

### 22. CAPITAL COMMITMENTS AND OPERATING LEASES

#### CAPITAL COMMITMENTS

The Marina had \$nil commitments for capital expenditure as at 30 June 2016 (2014: \$nil).

#### OPERATING LEASES AS LEASOR

In 2015-16, 9 tenants leased the Sea Centre. Of the 9 tenancies, 2 tenants changed from 3 year leases to annual during the year and 2 new tenancies were entered into.

	2016	2015
Not later than one year	158,137	154,075
Later than one year and not later than five years	448,996	103,748
Later than five years	117,159	-0
<b>Total non-cancellable operating leases</b>	<b>724,292</b>	<b>257,822</b>

### 23. CONTINGENT LIABILITIES AND ASSETS

#### Contingent Assets

As at 30 June 2016 the Marina had no contingent assets (2015: \$nil).

#### Contingent liabilities

As at 30 June 2016 the Marina had no contingent liabilities (\$2015: Nil).

### 24. CAPITAL MANAGEMENT

The Marina's capital is its equity, which comprises share capital and retained surpluses. Equity is represented by net assets.

The statement of intent requires the Board of Directors to manage revenues, expenses, assets, liabilities, investments and general financial dealings prudently. The Marina's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities and general financial dealings.

The objective of managing the Marina's equity is to ensure it effectively achieves its objectives and purpose whilst remaining a going concern.

## NOTES TO THE FINANCIAL STATEMENTS

### 25. CHANGES IN BUSINESS OF COMPANY

During the year ended 30 June 2016 there were no changes in the nature of business of the company which includes the provision of marina services.

### 26. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

#### Statement of Comprehensive Revenue and Expenses

The surplus after tax was \$316k (2015: \$243k) for the year ended 30 June 2016. This was above budget by \$1k (2015: \$115k below budget).

#### Operating Revenue

Operating revenue was above budget by almost \$45k. This was due to the inclusion of diesel sales income, which was not budgeted for, based on the budget assumption that the diesel retail operation would be contracted out in the 2015-16 financial year. Other user charges and other revenue combined exceeded budget by just over \$19k due to a one-off receipt from an insurance claim, and higher than expected revenue from ablution block usage. Revenue from ablution usage parallels live-aboard revenue (revenue from these two sources was particularly strong in the current year). Rental revenue was below budget, notwithstanding better than expected results for boat lifts and the hardstand, which traditionally have been below budget for the past few of years. The lower than expected result for rental revenue was due to difficulties in the early part of the year in filling vacant tenancies at the Wellington Sea Centre, coupled with lower than planned income from the F and G piers as a result of having to rationalise berth size to vessel size across all piers before the new berths could be opened up to new customers.

#### Operating Expenses

Total expenses (including depreciation) were above budget by \$43k, notwithstanding lower finance and operating costs. This was due to the inclusion of the cost of diesel sales (not budgeted for as stated above). Net diesel sales (i.e. gross sales less cost of sales) amounted to \$22k for the 2015-16 financial year (compared with \$17k last year). Personnel expenses were higher than planned due to remuneration increases for staff. Depreciation charges were higher than planned due to a number of small scale projects, with shorter economic lives compared with what was originally planned, i.e. the development of the Commercial Pier, which was put on hold for the 2015-16 financial year, with a longer economic life. The decision not to undertake the commercial pier development in 2015-16 resulted in lower interest costs and no further borrowings.

#### Statement of Financial Position

Cash is higher than planned with some of it being used to reduce intra-company borrowings during the year. Work has recently commenced on the development of a further pier (pier H), hence the higher cash balance. This project will be completed halfway through 2015-16. Property, Plant and Equipment is higher than budget due to some projects costing more than planned. Borrowings remain unchanged at \$2.7m, with borrowing through the parent at cheaper rates for the current year's projects.

#### Statement of Cash Flows

SML has continued to maintain a positive cash flow. Operating activities were positive and in line with prior years. Investing activities saw the completion of a number of projects including the pier H development, the Wellington Marine Centre fit out for Burnsco Marine and Leisure lease of unit 7.

### 27. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events after balance date.



## REPORTING AGAINST TARGETS FOR 2015/16 FINANCIAL YEAR

Sections 6 of the Statement of Intent covers the criteria for the targets set by the Board for the 2015/16 financial year.

### 1. PROVISION OF SERVICES

With an additional 48 berths available in 2015-16 the occupancy figures were expected to take some time to improve. This was the case but with the market conditions flat for new berth leases the uptake was slower than budgeted for. On the other hand the trailer boat storage has seen a substantial lift in demand and occupancy with the second half of the year close to capacity. Trailer boat launching income achieved budget, liveaboard income was 30% above budget and diesel 100% above budget, for the year.

Over the last few of years the hardstand has failed to achieve budget, whereas this year showed significant improvement. While it was a slow for several months at the beginning of the year momentum built and by year end the income achieved budget. The quality of the boatyard facility and the wide range of services available at the marina are attracting more vessels from outside the marina. The Wellington Marine Centre income suffered from four untenanted units for the first quarter of year. The Company was fortunate in attracting three permanent tenants and one casual during September 2015. Unit 2 was leased to the NZ Police Dive Squad, Unit 4 to MG Composites and Unit 7 to Burnsco Marine and Leisure, an existing tenant who wanted additional space. Unit 9 was leased on a casual basis during the year and at the end of this financial year was tenanted for a further 9 months. At the end of the financial year the only tenancy vacant was the sail loft. The stringent conditions imposed by the resource consent on the type of tenant who can occupy a tenancy in the Wellington Marine Centre severely limited The Company's option to find tenants.

Key Performance Indicator	2016 Actual	2016 Target	2015 Actual	2015 Target
Berth Occupancy	81.68%	94.0%	86.6%	94.0%
Trailer Park Occupancy	98.4%	96.0%	93.2%	94.0%
Boat yard occupancy	77.0%	80.0%	71.5%	80.0%
Boat Haul out (lifts per year)	529	750	467	750
Total Revenue	\$1,978,725	\$1,933,952	\$1,924,807	\$2,037,517
Net Surplus*	\$316,221	\$314,836	\$243,247	\$358,717
Return on Investment	6.2%	5.0%	5.0%	5.0%
Manage and operate the Marina within its 2015-16 expenditure budget**	\$1,662,504	\$1,619,117	\$1,681,560	\$1,678,800

\* Net surplus is after interest expense and depreciation.

\*\* The difference between achieved and target relates to a change in the accounting treatment of diesel sales. At the time the 2015-16 budget was derived it was anticipated this function would be contracted out and a margin would be paid to SML based on litres sold. This did not eventuate and SML continued purchasing bulk diesel for resale.

### 2. MAINTENANCE

The Asset Management Plan continues to provide the basis for the ongoing maintenance work. This plan covers all the in-water components, the buildings, plant and machinery and the 5 hectares of land the marina occupies. This programmed maintenance is budgeted for and completed when dictated by the Asset Management Plan, The harsh marine environment provides significant work on top of the Asset Management Plan for the staff and our contractors. In particular the electrical faults are an ongoing issue. This day to day maintenance is completed within a prescribed time limit.

The Travel Lift maintenance was improved from last financial year, where the Hutt City Council Internal Audit showed insufficient record keeping, even though the maintenance work was being carried out.

The in-water pontoon upgrade work has continued over the year with the addition of through bolts to strengthen the existing walkways and fingers with A to D piers being completed. Where other metal components have been found to be at the end of their productive life these have been replaced with new. The only work required now to be addressed is on E Pier, which has been programmed for the 2016-17 financial year.

## REPORTING AGAINST TARGETS FOR 2015/16 FINANCIAL YEAR

Key Performance Indicator	2016 Target	2016 Actual
Maintain asset management plans annually as detailed in the operational plan. Update asset management plans monthly and review six monthly.	100%	100%
Rectify non programmed maintenance within 5 working days.	95%	The minor day to day maintenance work was completed within this figure but more major work required longer periods to be remedied and is scheduled according to the severity and resources required.

### 3. MONITORING

#### 3.1 Water quality – Achieved

The wash down water from the hardstand has been tested every three months during 2015-16 by ESL. It showed that the level of contaminants in the wash down water was within the limits imposed by the Trade Waste Consent. The Licence to Discharge into the trade waste system has been renewed by the HCC for the 2016-17 financial year.

NIWA samples the marina in-water area of the marina for invasive pests twice a year. During the 2015/2016 year their sampling indicated the marine environment was clear. SML has adopted an approach that vessels from outside the Wellington Region will be required to demonstrate they have antifouled their boats in the last six months or have been lifted and washed in the last month.

#### 3.2 Client Survey

The 2016 Client Service Survey was completed during July and August 2016 and is done on a two yearly cycle. The results for service delivery are shown in the table below. The response rate was 55%. The survey was sent to 452 people, and 250 people responded. The measure is calculated by taking the overall average of respondents who agreed/strongly agreed with five statements relating to the overall management of the marina, the security and maintenance of marina facilities, the marina's haul-out service and whether respondents felt the marina was heading in the right direction.

Measurement	Target	Actual
Overall Customer Satisfaction	85%	89.48%

### 4. MANAGEMENT

The management of SML relies on a small dedicated group of 5 staff who are all involved fully with operational decision making. Fortnightly staff meetings are run to cover major issues such as Health and Safety, maintenance, business performance and client service. Informally the group discuss operational matters on a daily basis. This provides a very responsive approach to operational issues.

Such a small staff requires cross training in operational aspects of the business and basic administration. Two staff cover the boat yard operation and are able to cover all the activities required in running this part of the business, including operating the boat hoist. The two administrative staff provide cover for each other in maintaining the database and managing the accounting functions. All staff are trained on the basic administration functions in booking services and receipting payments.

Each staff member was provided with training opportunities during the year. The New Zealand Marina Operators Association provides excellent workshops and hands on training, which The Company has used extensively.

## REPORTING AGAINST TARGETS FOR 2015/16 FINANCIAL YEAR

### 5. DEVELOPMENT

The development of the in-water berth facilities was part of the Strategic Plan outlined in the 2015-16 Statement of Intent. After completing the additional 48 berths on F and G Piers in 2014-15 it became apparent that the projected increase in the occupancy was too optimistic. The Board decided that stage one of the Commercial Pier development would be postponed and a review done in the 2016-17 financial year.

<b>Key Performance Indicator</b>	<b>2016 Target</b>	<b>2016 Actual</b>
Pier H walkway and Breakwater.	Install H pier to provide protection for F & G piers and provide a gangway access to this pier	This was completed on budget and on time and now provides a very good facility for casual mooring for the marina as well as providing Sailability with a dedicated facility for running their disability sailing programme.
Stage 1 of the Commercial Pier Development	Complete the construction of the 'T' section of the commercial pier with the development twenty large berths, as well as the floating fuel facility	The uptake of additional berths provided by the development of F and G piers was slower than anticipated and this first stage of the Commercial Berth development was put on hold for review in the 2016/2017 financial year.
Unit 9 Café setup	Provide a fit-out for a café in unit 9 of the Wellington Marine Centre	The search for a café operator continued during the first quarter of the financial year. With no suitable applicant the Board decided no further effort be put into searching for an operator. Over the last six months of the financial year the unit was leased on a casual basis and this will continue until April 2017.
Other capital expenditure	A compressor unit, sewerage pump and minor items were identified as necessary for the hardstand operation	All items were duly purchased.

## REPORTING AGAINST TARGETS FOR 2015/16 FINANCIAL YEAR

### 6. PUBLIC ACCESS

SML's Statement of Intent includes a provision to provide facilities which encourage the general public to use the marina for recreation. The Board has focused on providing pathways, landscaping, seats and rubbish bins to encourage the general public into the marina

Key Performance Indicator	2016 Target	2016 Actual
Work with the Council to develop a strategy that will encourage the public to use the marina.	Upgrade landscaping and public amenities.	Additional signage has been installed to direct cyclists and walkers through the marina. Additional seating was also installed near the Wellington Marine Centre.
	Provide facilities for marine related activities.	The Company has provided the opportunity for Sailability, the Yachting New Zealand 'Have-a-Go' sailing program and the Wellington Radio Controlled Yacht club to carry out their activities, free of charge on the marina.
	Support of the LBYC to encourage boating from the marina.	The Board has provided assistance to the LBYC by way of sponsorship, the free use of facilities and assistance with marketing over the 2015/2016 financial year.

### 7. MANAGE MARINA SERVICES WITHIN EXISTING STAFFING STRUCTURE

The marina operated over the year with three full time staff members and two part time administrative staff.

Key Performance Indicator	2016 Target	2016 Actual
Reduce total FTE staff numbers.	4.0 FTE	Achieved with staffing levels over the year remaining unchanged (3.53 FTE).

### 8. COMPLY WITH FINANCIAL, TECHNICAL AND REGULATORY STANDARDS

Key Performance Indicator	2016 Target	2016 Actual	2015 Actual	2014 Target
Full compliance with financial, technical and regulatory standards. This includes reporting functions to the Board and Shareholder, compliance reporting and certification related to the building warrant of fitness, electrical inspections and HCC and Regional Council requirements.	100%	100%	100%	100%

## REPORTING AGAINST TARGETS FOR 2015/16 FINANCIAL YEAR

### 9. THE HEALTH AND SAFETY

During 2015-16 SML did not experience any notifiable Health and Safety events. In fact there were no incidents at all reported. This is an excellent record and is a consequence of the Board and staff making Health and Safety an operational priority.

After the Health and Safety Audit carried out by the Hutt City Council officers in the 2014-15 year changes were made to the reporting procedures. This was timely as the new Health and Safety at Work Act 2015 which came into force on the 4th April 2016 has put greater demands on organisations to provide safe workplaces for their staff, customers and contractors. A review of the Health and Safety procedures was undertaken internally to align with the new regulations. The key focus is now very much on Risk Management, Incident Response and Investigation, Contractor Management and Employee Participation.

The Board has established a formal reporting process for health and safety at the monthly board meetings. Fortnightly staff meetings have a standing agenda item on health and safety, as well as a training session on a different aspect each meeting.





