



ANNUAL REPORT

17

FOR THE YEAR ENDED
30 JUNE 2017



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FOR THE YEAR ENDED 30 JUNE 2017

This has been another extremely successful year for Seaview Marina Limited (SML). The business is in good heart, performing well and more than meeting the expectations of its key stakeholders – the Hutt City Council, users and the Wellington region's wider marine recreation community.

The Board is committed to continuous improvement and increasing shareholder value. You will note from the Chief Executive's report there are still improvements to be made. For example, we still need to increase our income and lift our marine berth occupancy rate nearly 10 percent from 82 to 90 percent.

While this report charts the course of a single year, it is worth reflecting on the huge progress that has been made since SML's beginnings in 2003. Over 14 years, the company has progressed well, overcoming major engineering and structural challenges along the way. The result is now a world class facility that will serve our harbour, our city and the wider region for many years to come.

Along the way, SML has been fortunate in benefitting from the wisdom and experience of its directors, including Arthur Stewart. After 14 years of valuable service, Arthur is stepping aside. His contribution has been nothing short of outstanding. SML's strong financial position owes a great deal to Arthur's careful and considered stewardship.

We welcome Arthur's replacement, Peter Steel, to the team.

I would like to thank all my fellow directors, Arthur Stewart, Chris Milne and Peter Steel for their input and enthusiasm in the achievement of this year's excellent results. The dedication and effort of marina staff members Suzanne Willis, Mike Croft, Ali Watt, Tony Kelly and Alan McLellan, our chief executive, in achieving these results must also be recognised. Appreciation must also go to our shareholder, the Hutt City Council, for its ongoing support and encouragement.

Brian Walshe

CHAIRMAN



FOR THE YEAR ENDED 30 JUNE 2017

SML reported a surplus in comprehensive revenue of \$403,749 for the financial year ending June 2017. This represented an increase of \$87,528, or 28 percent, over the previous year and an increase over budget of 14 percent.

The company achieved a 7.5 percent rate of return on the company's equity position (net assets employed). This was better than the 5 percent minimum required under the company's Statement of Intent.

Financial Results

At \$2,100,300, the company's total revenue was ahead of last year's revenue of \$1,978,725, representing a 6.1 percent increase. However, total revenue was 5.3 percent below the budgeted amount of \$2,218,173. Primarily, this was a result of the company not achieving its targeted revenue from in-water berths.

At \$1,050,853 rental from in-water berths rentals was down 11.7 percent on the budget of \$1,189,873. At \$289,887, trailer park rental income was down 5.8 percent on the budgeted amount of \$307,593. However, it exceeded the previous year's income of \$274,003 by 5.8 percent.

Boat haul-out income was \$211,963, which was better than the budget of \$154,000 and 37.6 percent up on the previous year's income of \$160,597.

Rental revenue from the Wellington Marine Centre totalled \$292,046 compared with budgeted revenue of \$302,424 and \$250,171 last year.

Income received from the live-aboards was \$53,235. This fell short of budget by 5.1 percent. At \$21,406, net diesel sales significantly exceeded the budgeted amount of \$11,000. Boat ramp income was \$33,474. This was down 4.4 percent on the budgeted amount of \$35,000.

Total expenditure for the year at \$1,696,551 was down on the budget of \$1,864,170 by 9 percent and 2 percent above the previous year's result of \$1,662,504. The main reason for the improvement over budget was the deferral of the commercial pier development resulting in lower depreciation and finance costs.

Overall, company expenditure was controlled within the budgeted levels with the exception of repairs and maintenance and sponsorship costs. Both these items exceeded budget.

Equity

The company's total equity (net assets employed) position as at the end of the financial year was \$5,817,167 compared to the previous year's position of \$5,413,418. This 7.5 percent increase in total equity can be attributed to the comprehensive revenue carried out during the year under review.

Operational Results

At an average of 82 percent, marina berth occupancy remained flat during the year mainly on account of the surplus of unoccupied 12m berths. While occupancy levels were low for in-water boat storage, the trailer boat storage averaged 99 percent occupied.

Live-aboard vessel numbers averaged 44 during the year and at one stage, in April 2017, reached 50 vessels. This demand led to the board approving an increase in the number of live-aboard vessels allowed to 55. There is an increasing interest in this type of berth rental.

The hardstand business achieved a record year, recording a 37.6 percent improvement on budget and an increase of \$52,366 on the previous year. Much of the improvement related to medium commercial vessels, including a number of fishing boats from the Chatham Islands. Occupancy rates on the hardstand for the year averaged 74 percent. The spray booth workshop achieved an average occupancy of 61 percent.

The Wellington Marine Centre had only one untenanted unit during the year (Unit 12). Three leases were renewed during the year with an average rental increase of 15 percent. The tenants provide valuable services to the company's clients who have vessels on the hardstand, in trailer parks and in berths.

The trailer boat ramp revenue suffered from bad weather during the year. While ramp pass income remained similar to that of last year, the casual cash income dropped significantly.

The company's commercial licensees have increased the volume of diesel they are taking and the income was almost double of that in the annual budget. In addition, a new facility providing clients to take diesel at any time during the day or night using an EFTPOS facility has had a positive impact.

Key Performance Indicators:

Measure	2017 Target	2017 Actual	2016 Actual	2015 Actual
Berth Occupancy	94.0%	82.3%	81.7%	86.6%
Number of Berths	319	319	319	319
Trailer Boat Park Occupancy	96.0%	99.2%	98.4%	93.2%
Number of Trailer Parks	248	248	248	248
Total Revenue	\$2,218,173	\$2,100,300	\$1,978,725	\$1,924,807
Net Surplus	\$354,003	\$403,749	\$316,221	\$243,247
Rate of Return	5.0%	7.5%	6.2%	5.0%

ROE is calculated as net Surplus/ (Deficit) divided by the opening balance of equity at the start of the year.

**CHIEF
EXECUTIVE'S
REPORT****Capital Expenditure**

With the berth occupancy rates remaining in the low 80 percent region, major developments were put on hold for the year. Focus was put into replacing smaller capital items, and replacing assets which had reached their full depreciated life. The key activities included:

- installing new lighting on the main causeway by the office;
- resurfacing the launching ramp parking area;
- replacing gate structures on Pier E and H;
- improving security;
- installing a new diesel pump facility; and
- adding additional health and safety features to all piers.

Health and Safety

Over the 2016/17 financial year, there were no notifiable health and safety issues.

Tony Kelly was appointed the company's health and safety officer. Tony has improved the practices and procedures significantly. A new computer-based contractor induction programme was developed this year and is proving extremely successful in managing the company's large number of contractors who work on site.

**Alan McLellan**

CHIEF EXECUTIVE

INTEREST REGISTER

Brian Walshe

Chair

- Adelaide Commercial Limited
- Burdans Gate Properties Limited
- Chang Fung Buildings Limited
- City Stay Apartments Limited, Advisory Board
- Domet Investments Limited
- Gary Baker Trustees Limited
- Gracefield Investments (Hutt) Limited
(removed 27/09/2016)
- Integral Group Limited, Advisory Board
- Kenway Property Consultants, Advisory Board
- Laura Ferguson New Zealand Limited
- Laura Ferguson Trust
- Pointhree Limited
- Scratch Design (NZ) Ltd
- Te Omanga Hospice Trust
- Urban Plus Limited, Chair
- Fairfield Waters Limited, Director
- Fairfield Limited Partnership, Director

Chris Milne

Director

- Arcadia Associates, Partner
- Community Foundations of New Zealand, Deputy Chair
- Hutt City Council, Councillor
- Kaynemaile Limited, Director
- Maungaraki Tennis Club Inc., Treasurer
- Nga Manu Nature Reserve, Trustee
- Nikau Foundation, Chair
- Technology Valley Inc., Chair

Arthur Stewart

Director

(until 31 March 2017)

- Arthur Stewart Limited, Principal
- Urban Plus Limited, Director (until 31 March 2017)
- Fairfield Waters Limited, Director (until 31 March 2017)
- Fairfield Limited Partnership, Director (until 31 March 2017)

Peter Steel

Director

(from 1 April 2017)

- Commerce Building Limited
- Taiwan NZ Trade Development Limited
- Accreditation Council

STATEMENT OF SERVICE PERFORMANCE

REPORTING AGAINST TARGETS FOR THE 2016/17 FINANCIAL YEAR

PROVISION OF SERVICES

The occupancy levels for marina berths continued to remain flat during the year, in contrast to the trailer parks which remained close to fully occupied during the year. As a consequence, the development of additional berths on the south of H Pier, were postponed. The live aboard income was slightly below what was expected for the year but the demand continues to be strong. The Wellington Marine Centre had only one unit free over the year and the Company successfully negotiated three lease renewals. The variety of tenants operating from the building provides excellent support for both licensee and external boat owners. The success this year of the hardstand business is partly due to this support. The hardstand has recorded a record year achieving a 37.6% improvement on budget and \$41,542 increase over last year's income.

Key Performance Indicator	2017 Target	2017 Actual	2016 Actual	2016 Target
Berth Occupancy	94.0%	82.3%	81.7%	94.0%
Trailer Park Occupancy	96.0%	99.2%	98.4%	96.0%
Boat Yard Occupancy	80.0%	74.0%	77.0%	80.0%
Boat Haul out (lifts per year)	750	515	529	750
Total Revenue	\$2,218,173	\$2,100,300	\$1,978,725	\$1,933,952
Net Surplus*	\$354,003	\$403,749	\$316,221	\$314,836
Return on Investment	5.0%	7.5%	6.2%	5.0%
Manage and operate the Marina within its 2016-17 budget	\$1,864,170	\$1,696,551	\$1,662,504	\$1,619,117

*Net surplus is after interest expense and depreciation.

MAINTENANCE

The Company continued to follow the Asset Management Plan and the major work completed was an upgrade of the lighting along the main causeway (entranceway 2) and resealing the trailer boat parking area. The on-going refurbishment work on the floating structures (pontoons) continued during the year and all the through bolts have now been replaced. This should provide another 20 years of life.

The earthquake experienced in November 2016 affected the marina. Fortunately the impact was nothing more than cracking and dislodgement of the tarseal at various points around the marina. This was repaired at a cost of close to \$30,000. With the high excess on the Company's insurance cover the cost had to be carried by the Company.

A new monitoring system for minor maintenance issues was set up on the Company's website and this has proved very valuable to both the marina staff and our clients.

Key Performance Indicator	2017 Target	2017 Actual
Maintain Asset Management Plan as detailed in the operational plan. Review six monthly.	100%	98%
Address non-programmed maintenance within five working days.	95%	96%

REPORTING AGAINST TARGETS FOR THE 2016/17 FINANCIAL YEAR

MONITORING

Water quality – Achieved

Eurofins NZ continues to monitor the hardstand wash down facilities for contaminants every three months. During the year there levels of contaminants remained within the limits imposed by the Trade Waste Consent. This consent was renewed by the Hutt City Council for the 2016/2017 year.

The National Institute of Water and Atmospheric Research (NIWA) sampled the marina twice during the year for invasive pests. There were none found and Seaview Marina was provided with a clean bill of health.

Client Service

The Client Service Survey is completed every two years and the next one is scheduled for March 2018. As a consequence the results for this financial year are based on the monthly survey of clients who have left the marina. The final question they were asked was 'on a scale of 1-10, how likely would you be to recommend Seaview Marina'. While these results are based on a much smaller sample than the biannual survey they do provide a good indication of the Company's client service performance.

Measurement	2017 Target	2017 Actual (monthly client survey)	2016 Actual (biannual survey)
Overall Customer Satisfaction	85%	91% (9.1/10)	90%

MANAGEMENT

The small team of three full time staff and two part time staff operate as a close knit team. Meetings are held every two weeks with Health and Safety a key item with all staff providing input. With Tony Kelly being appointed as Health and Safety Officer this important subject is being well managed.

Training for each staff member has been provided with the two 'outside' staff attending NZMOA training for hardstand operations. Tony Kelly attended a two day course for Health and Safety Officers while three staff attended the annual NZMOA conference in Whitianga during 2016.

Staff numbers have remained stable for the last couple of years but with the two administrators operating on a 0.7 FTE and a 0.5 FTE basis pressure is put on the remaining staff at times to cover administrative matters.

Staff succession is an important issue that is confronting the Company presently. Suzanne Willis will be leaving in October 2017 and her 12 years' experience in the Marina Administrator role mean she will be a significant loss. Coupled with this is the future of the Chief Executive, who has been in the role since the marina became a Council Controlled Organisation in 2003.

DEVELOPMENT

The Board decided that with berth occupancy rates just above 82% (mainly due to high numbers of unoccupied 12m berths) the major development of commercial berths on the south side of H Pier would be postponed until the 2017/18 financial year. Focus was put into upgrading a number of assets around the marina which had reached their full depreciated life.

Key Performance Indicator	2017 Target	2017 Actual
Commercial Pier & Fuel Wharf	Complete the berths on the south side of H Pier	Postponed and to be reviewed in for action in 2017/2018
Final Stage of pedestrian walkway	Complete the walkway around the main marina causeway	Postponed until 2017/2018 as contractor was not available
North berths on H Pier		These berths were designed as 10m and at this stage it was agreed by the Board that no more small berths would be developed until the occupancy of 12m berths improved
Effluent Pump replacement	Purchase mobile effluent pump to replace existing fixed unit	Purchased and operational

REPORTING AGAINST TARGETS FOR THE 2016/16 FINANCIAL YEAR

PUBLIC ACCESS

Seaview Marina Limited's Statement of Intent requires the Company to provide facilities and activities which encourage the general public to use the marina for recreation. Over the last twelve months a number of new initiatives have been done to provide for more participation by the general public.

Key Performance Indicator	2017 Target	2017 Actual
Develop a strategy that will encourage the public to use the marina	Upgrade landscaping and public amenities	No additional facilities were developed during the year
	Provide facilities that encourage the general public to the marina	The Company has entered a joint venture enterprise to provide a café facility on the marina. This is encouraging walkers, cyclists and local workers to enjoy the marina during the day
	Support the Lowry Bay Yacht Club (LBYC) to encourage boating at the marina	Seaview Marina continues to provide sponsorship to the LBYC. The Company supported the LBYC with the 24 hour race by way of free berths and free servicing packages for hardstand services as prizes. Provided prizes for the LBYC yacht racing series
	Run a events on the marina to encourage the general public	The inaugural Wellington Boat Show was successfully run at Seaview Marina attracting around 5000 visitors to the marina

COMPLIANCE WITH FINANCIAL, TECHNICAL AND REGULATORY STANDARDS

Key Performance Indicator	2017 Target	2017 Actual	2016	2015
Achieve full compliance with financial, technical and regulatory standards. This includes, Electrical Warrant of Fitness for vessels and Building Warrant of Fitness as well as Hutt City Council and Greater Wellington Regional Council requirements.	100%	100%	100%	100%

HEALTH AND SAFETY

There were no notifiable Health and Safety events reported during the 2016/2017 year. The Hazards Register was updated by the Company's new Health and Safety Officer, Tony Kelly.

Access to the hardstand was restricted to only approved vehicles. As well as this more stringent rules were put in place for licensees and contractors working on site.

A new 'on-line' contractor induction process was implemented which provided a more convenient and less labour intensive induction process. This will be rolled out to all licensees in the future.

The Board remains committed to providing a safe site. The Chief Executive provides a full report on Health and Safety at each Board Meetings. The fortnightly staff meetings also include Health and Safety as the first agenda item and a different Health and Safety topic is reviewed at each meeting. All staff are trained in first aid.



INDEPENDENT AUDITORS REPORT

FOR THE YEAR ENDED 30 JUNE 2017

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the readers of Seaview Marina Limited's financial statements and performance information for the year ended 30 June 2017.

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 his behalf.

Opinion

We have audited:

- the financial statements of the company on pages 13 to 29, that comprise the statement of financial position as at 30 June 2017, the statement of comprehensive revenue and expense, 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 7 to 9.

In our opinion:

- the financial statements of the company on pages 13 to 29:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2017; 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 Public Benefit Entity Standards Reduced Disclosure Regime; and
- the performance information of the company on pages 13 to 29 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 2017.

Our audit was completed on 21 September 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, 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 carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists.

Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error.

Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the company's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

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

- We identify and assess the risks of material misstatement of the financial statements and the performance information, 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.
- We 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information 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.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 2 to 5, but does not include the financial statements and the performance information, and our auditor's report thereon.

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

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, 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.

Independence

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

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



Andrew Clark

Audit New Zealand

On behalf of the Auditor-General
Wellington, New Zealand



FOR THE YEAR ENDED 30 JUNE 2017

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.

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 2017 fairly reflect the financial position and operations of the Company.

Brian Walshe

Chairman

22 September 2017

Chris Milne

Director

22 September 2017

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2017

	Note	Actual 2017	Budget 2017	Actual 2016
REVENUE				
Rentals	2	1,873,821	1,987,673	1,754,495
Other user charges		58,918	55,500	57,930
Finance revenue	3	944	-0	-0
Diesel sales		138,819	165,000	143,739
Other revenue		27,798	10,000	22,561
Total revenue		2,100,300	2,218,173	1,978,725
EXPENSES				
Personnel expenses	4	326,015	320,011	319,369
Operating expenses	5	675,126	687,037	644,214
Finance expenses	3	162,409	257,552	184,740
Asset Write Offs		2,933	-0	-0
Cost of diesel sales		117,413	154,000	121,800
Depreciation and amortisation	11 & 12	412,655	445,570	392,381
Total expenses		1,696,551	1,864,170	1,662,504
Surplus/(Deficit) before tax		403,749	354,003	316,221
Income tax expense	6	-0	- 0	-0
Surplus/(Deficit) After Tax		403,749	354,003	316,221
Surplus/(Deficit) attributable to: Seaview Marina Limited		403,749	354,003	316,221
Total Comprehensive Revenue and Expenses		403,749	354,003	316,221

Explanations of the major variances against budget are provided in note 24. The accompanying notes form part of these statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Actual 2017	Budget 2017	Actual 2016
Balance at 1 July	5,413,418	5,412,936	5,097,197
Total comprehensive revenue and expenses for the year	403,749	354,003	316,221
Balance at 30 June	5,817,167	5,766,939	5,413,418

Explanations of the major variances against budget are provided in note 24. The accompanying notes form part of these statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	Actual 2017	Budget 2017	Actual 2016
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	7	421,769	81,393	232,082
Debtors and other receivables	8	41,234	11,120	11,604
Inventory	9	11,429	3,293	3,293
Prepayments		442	3,568	4,414
Total current assets		474,874	99,374	251,393
NON-CURRENT ASSETS				
Property, plant and equipment	10	8,264,688	10,187,140	8,386,627
Intangible assets	11	1,378	1,378	1,438
Assets under construction		75,069	19,575	19,575
Total non-current assets		8,341,135	10,208,093	8,407,640
Total assets		8,816,009	10,307,467	8,659,033
LIABILITIES				
CURRENT LIABILITIES				
Payables and deferred revenue	12	136,815	78,938	81,435
Employee entitlements	14	23,830	15,106	15,106
Borrowings	13	2,700,700	-0	-0
Advances from related parties	15	138,197	346,484	449,074
Total current liabilities		2,998,842	440,528	545,615
NON CURRENT LIABILITIES				
Borrowings	13	-0	4,100,000	2,700,000
Total non current liabilities		-0	4,100,000	2,700,000
TOTAL LIABILITIES		2,998,842	4,540,528	3,245,615
Net assets (assets minus liabilities)	16	5,817,167	5,766,939	5,413,418
EQUITY				
Accumulated funds		(15,464,736)	(15,514,964)	(15,868,485)
Share capital		21,281,903	21,281,903	21,281,903
Total equity attributable to Seaview Marina Limited	16	5,817,167	5,766,939	5,413,418

Explanations of the major variances against budget are provided in note 24. The accompanying notes form part of these statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Actual 2017	Budget 2017	Actual 2016
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Cash was provided from:</i>			
Receipts from rentals	1,844,190	1,899,890	1,769,737
Interest received	944	-0	-0
Receipts from user charges and other income	241,931	318,283	224,230
	2,087,065	2,218,173	1,993,967
<i>Cash was applied to:</i>			
Payments to employees	(317,291)	(320,011)	(320,452)
Payments to suppliers	(757,722)	(837,037)	(760,141)
Interest paid	(162,409)	(261,552)	(184,740)
	(1,237,422)	(1,418,600)	(1,265,333)
Net cash flows from operating activities	849,643	799,573	728,634
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Cash was provided from:</i>			
Sale of assets held for sale	-0	-0	-0
	-0	-0	-0
<i>Cash was applied to:</i>			
Purchase of property, plant and equipment	(293,588)	(2,248,638)	(583,156)
Purchase of assets under construction	(55,491)	-0	-0
	(349,079)	(2,248,638)	(583,156)
Net cash flows from investing activities	(349,079)	(2,248,638)	(583,156)
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Cash was provided from:</i>			
Proceeds from borrowings - Hutt City Council	-0	1,400,000	-0
	-0	1,400,000	-0
<i>Cash was applied to:</i>			
Repayment of borrowings - Hutt City Council	(310,877)	(92,199)	(112,390)
	(310,877)	(92,199)	(112,390)
Net cash flows from financing activities	(310,877)	1,307,801	(112,390)
Net increase/(decrease) in cash, and cash equivalents and bank overdrafts	189,687	(141,264)	33,088
Cash, and cash equivalents and bank overdrafts at the beginning of the year	232,082	222,657	198,994
Cash, and cash equivalents and bank overdrafts at the end of the year	421,769	81,393	232,082

Explanations of the major variances against budget are provided in note 24. 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 (CCO), 100 per cent 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 2017. The financial statements were authorised for issue by the Board of Directors on 21 September 2017.

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 IPSAS and other applicable Financial Reporting Standards, as appropriate for public benefit entities (PBE) that apply Tier 2 PBE accounting standards. As SML's total expenses are under \$30,000,000, it has elected to apply Tier 2 PBE accounting standards.

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: 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 10 and 11. There have been no critical judgements made.

NOTES TO THE FINANCIAL STATEMENTS

2. RENTAL REVENUE

	2017	2016
Berth and trailer park rentals	1,376,874	1,327,645
Boat lifts and hard stand rentals	201,916	160,597
Wellington marine centre rentals	292,046	250,171
Other rentals	2,985	16,082
Total rental revenue	1,873,821	1,754,495

3. INTEREST REVENUE AND FINANCE EXPENSES

	2017	2016
Interest revenue		
- call and term deposits	944	-0
- related party deposits	-0	-0
Total interest revenue	944	-0
Finance expenses		
Interest expense		
- call and term loans	-0	-0
- related party loans	162,409	184,740
Total finance expense	162,409	184,740
Net finance expenses	(161,465)	(184,740)

4. PERSONNEL EXPENSES

	2017	2016
Salaries and wages	279,392	313,276
Training	4,397	2,999
Other employee expenses	33,501	4,660
Increase/(decrease) in employee entitlements/liabilities	8,725	(1,566)
Total personnel expenses	326,015	319,369

NOTES TO THE FINANCIAL STATEMENTS

5. OPERATING EXPENSES

	2017	2016
Directors' fees	43,875	43,780
Electricity	20,569	20,194
Insurance	84,141	126,062
Vehicle lease expenses	1,338	590
Operational contracts	199,252	183,718
Equipment purchases	4,405	4,977
Legal services	6,909	5,228
Audit services	14,368	14,111
Specialist services	29,951	34,568
HCC services	26,000	26,000
Promotion expenses	41,626	16,889
Impairment of receivables	2,438	(8,214)
Bad debts written off	1,333	190
Printing and stationery	3,701	4,533
Maintenance	67,113	40,478
Rates and water charges	86,769	84,025
Other expenses	41,338	47,085
Total operating expenses	675,126	644,214

6. TAXATION

	2017	2016
Net surplus/(deficit) before tax	403,749	316,221
Tax at 28%	113,050	88,542
Non-deductable expenditure	-0	140
Prior year adjustment	-0	-0
Deferred tax adjustment	(113,050)	(88,682)
Tax expense	-0	-0
Current tax	-0	-0
Deferred tax adjustment	-0	-0

There are no imputation credits available for use.

NOTES TO THE FINANCIAL STATEMENTS

	Property, Plant & Equipment	Employee Entitlements	Other Provisions	Tax Losses	Total
Balance at 30 June 2015	(611,637)	4,533	4,155	602,949	-0
Charged to surplus or deficit	(6,635)	(303)	(2,128)	9,066	-0
Charged to other comprehensive income	-0	-0	-0	-0	-0
Balance at 30 June 2016	(618,272)	4,230	2,027	612,015	-0
Charged to surplus or deficit	(2,325)	2,442	(1,158)	1,041	-0
Charged to other comprehensive income	-0	-0	-0	-0	-0
Balance at 30 June 2017	(620,597)	6,672	869	613,056	-0

A deferred tax asset has not been recognised in relation to tax losses of \$7,858,976 (2016: of \$8,278,780) with a tax effect of \$2,200,513 (2016: \$2,318,059). Total tax losses of \$10,048,462 are available to offset against future taxable income.

7. CASH AND CASH EQUIVALENTS

	2017	2016
Cash at bank and on hand	421,769	232,082
Term deposits with maturities less than three months at acquisition	-0	-0
Total cash and cash equivalents	421,769	232,082

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:

	2017	2016
Cash at bank and on hand	421,769	232,082
Term deposits with maturities less than three months at acquisition	-0	-0
Bank overdrafts	-0	-0
Total	421,769	232,082

8. DEBTORS AND OTHER RECEIVABLES

	2017	2016
Rental receivable	43,672	15,763
Other receivables:		
- Other receivables	-0	-0
Gross debtors and other receivables	43,672	15,763
Less provision for impairment	(2,438)	(4,159)
Total debtors and other receivables	41,234	11,604

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 (2016: \$nil)

NOTES TO THE FINANCIAL STATEMENTS

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:

	2017	2016
Individual impairment	2,438	4,159
Collective impairment	-0	-0
Total provision for impairment	2,438	4,159

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

	2017	2016
At 1 July	(4,159)	(12,374)
Additional provisions made during the year	(2,438)	(4,349)
Provisions reversed during the year	4,159	12,374
Receivables written-off during the period	-0	190
At 30 June	(2,438)	(4,159)

At 30 June 2017 the Marina held two boats as collateral for unpaid debts. No other collateral, as security or other credit enhancements over receivables that are either past due or impaired, are held.

9. INVENTORY	2017	2016
<i>Commercial inventories held for sale:</i>		
Diesel	8,799	3,293
Other items	2,630	-0
Total inventory	11,429	3,293

No inventory is pledged as security for liabilities (2016: \$nil).

NOTES TO THE FINANCIAL STATEMENTS

10. PROPERTY, PLANT AND EQUIPMENT

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

	Cost/valuation	Accumulated depreciation and impairment	Carrying amount	Additions	Disposals
2017	1/07/2016	1/07/2016	1/07/2016		
Operational assets					
Land	447,158	- 0	447,158	-0	- 0
Site improvements	1,384,862	(324,364)	1,060,499	92,580	-0
Buildings	340,691	(110,365)	230,325	-0	(3,229)
Service Centre/Hardstand/Travel Lift	3,787,393	(599,600)	3,187,793	5,262	(1,640)
Plant and equipment	1,738,194	(842,645)	895,550	168,858	(47,500)
Vehicle	13,958	(13,958)	-0	-0	-0
Piers and Marina Berths	3,858,999	(1,293,698)	2,565,302	26,889	- 0
Total operational assets	11,571,255	(3,184,629)	8,386,627	293,589	(52,369)
2016	1/07/2015	1/07/2015	1/07/2015		
Operational assets					
Land	447,158	- 0	447,158	-0	- 0
Site improvements	992,815	(262,748)	730,066	392,048	-0
Buildings	340,691	(100,060)	240,631	-0	- 0
Service Centre/Hardstand/Travel Lift	3,783,980	(496,081)	3,287,900	3,412	-0
Plant and equipment	1,602,394	(760,004)	842,390	135,801	-0
Vehicle	13,958	(13,799)	159	-0	-0
Piers and Marina Berths	3,802,706	(1,159,692)	2,643,014	56,293	- 0
Total operational assets	10,983,702	(2,792,384)	8,191,316	587,554	-0

VALUATION

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

11. INTANGIBLE ASSETS

	Cost/valuation	Accumulated depreciation and impairment	Carrying amount	Additions	Disposals
2017	1/07/2016	1/07/2016	1/07/2016		
Intangibles assets Software	54,554	(53,116)	1,438	-0	(922)
Total intangible assets	54,554	(53,116)	1,438	-0	(922)
2016	1/07/2015	1/07/2015	1/07/2015		
Intangibles assets Software	54,554	(52,981)	1,573	- 0	-0
Total intangible assets	54,554	(52,981)	1,573	- 0	-0

NOTES TO THE FINANCIAL STATEMENTS

Impairment	Depreciation	Depreciation on disposals	Cost/valuation	Accumulated depreciation and impairment	Carrying amount
			30/06/2017	30/06/2017	30/06/2017
-0	-0	-0	447,158	-0	447,158
-0	(69,537)	-0	1,477,442	(393,902)	1,083,541
-0	(10,089)	500	337,462	(119,954)	217,507
-0	(103,727)	1,640	3,791,015	(701,687)	3,089,329
-0	(92,962)	47,295	1,859,552	(888,312)	971,241
-0	-0	-0	13,958	(13,958)	-0
-0	(136,279)	-0	3,885,888	(1,429,976)	2,455,912
-0	(412,595)	49,435	11,812,476	(3,547,789)	8,264,688
			30/06/2016	30/06/2016	30/06/2016
-0	-0	-0	447,158	-0	447,158
-0	(61,616)	-0	1,384,862	(324,364)	1,060,499
-0	(10,305)	-0	340,691	(110,365)	230,325
-0	(103,520)	-0	3,787,393	(599,600)	3,187,793
-0	(82,641)	-0	1,738,194	(842,645)	895,550
-0	(159)	-0	13,958	(13,958)	-0
-0	(134,005)	-0	3,858,999	(1,293,698)	2,565,302
-0	(392,245)	-0	11,571,255	(3,184,629)	8,386,627

Impairment	Depreciation	Depreciation on disposals	Cost/valuation	Accumulated depreciation and impairment	Carrying amount
			30/06/2017	30/06/2017	30/06/2017
-0	60	922	53,632	(52,254)	1,378
-0	60	922	53,632	(52,254)	1,378
			30/06/2016	30/06/2016	30/06/2016
-0	(135)	-0	54,554	(53,116)	1,438
-0	(135)	-0	54,554	(53,116)	1,438

NOTES TO THE FINANCIAL STATEMENTS

12. PAYABLES AND DEFERRED REVENUE	2017	2016
Deposits and bonds	1,770	1,770
Trade payables and accrued expenses	91,460	52,477
Rentals in advance	43,585	27,188
Total payables and deferred revenue	136,815	81,435

Payables are non-interest bearing and are normally settled on 30 day terms. Therefore, the carrying value of payables approximates their fair value.

13. BORROWINGS	2017	2016
CURRENT PORTION		
Loans from related parties	2,700,000	-0
Total current portion	2,700,000	-0
NON-CURRENT PORTION		
Loans from related parties	-0	2,700,000
Total non-current portion	-0	2,700,000
Total borrowings	2,700,000	2,700,000

The Board consider SML is a going concern as the shareholder has indicated the \$2.7 million loan will be renewed at maturity.

14. EMPLOYEE ENTITLEMENTS	2017	2016
CURRENT PORTION		
Annual leave	23,830	15,106
Total employee entitlements - current portion	23,830	15,106
Total employee entitlements	23,830	15,106

15. OTHER LIABILITIES	2017	2016
CURRENT PORTION		
Due to related parties	138,197	449,074
Total other liabilities - current portion	138,197	449,074
Total other liabilities	138,197	449,074

NOTES TO THE FINANCIAL STATEMENTS

16. EQUITY	2017	2016
ACCUMULATED FUNDS		
Balance at beginning of the year	(15,868,485)	(16,184,706)
Net surplus/(deficit) after tax	403,749	316,221
Balance at end of the year	(15,464,736)	(15,868,485)
TOTAL EQUITY		
Balance at beginning of the year	5,413,418	5,097,197
Movements during the year	403,749	316,221
Balance at end of the year	5,817,167	5,413,418

17. CATEGORIES OF FINANCIAL INSTRUMENTS	2017	2016
FINANCIAL ASSETS		
Loans and receivables		
Cash and cash equivalents	421,769	232,082
Debtors and other receivables	41,234	11,604
Total financial assets	463,003	243,686
FINANCIAL LIABILITIES		
Financial liabilities at amortised cost		
Borrowings	2,700,000	2,700,000
Other liabilities	138,197	449,074
Trade and other payables	136,815	81,435
Total financial liabilities at amortised cost	2,975,012	3,230,509

18. REMUNERATION

Key management personnel consist of the Board and the General Manager.

Senior management	2017	2016
Total remuneration	130,489	132,241
Full-time equivalent members	1.0	1.0
Remuneration of Board Members	2016	2016
B Walshe (Chairman from April 2012)	18,825	18,763
A Stewart (to March 2017)	9,375	12,509
P Steele (from 1 April 2017)	3,125	-0
C Milne	12,550	12,509
Total remuneration	43,875	43,781
Number of Board members, including Chair	3.00	3.00

NOTES TO THE FINANCIAL STATEMENTS

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.

Total remuneration includes any non-financial benefits provided to employees. At balance date, Seaview Marina Limited employed 4.2 full time employees (2016: 4.2). A full time employee is determined on the basis of a 40 hour working week..

Severance Payments

No severance payments were made by the Marina during the year (2016: Nil).

19. RELATED PARTIES DISCLOSURES

Related party disclosures have not been made for transactions with related parties that are within a normal supplier, client or 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..

20. CAPITAL COMMITMENTS AND OPERATING LEASES

Capital commitments

The Marina had \$nil commitments for capital expenditure as at 30 June 2017 (2016: \$nil) .

Operating leases as lessor

In 2016-17, 10 tenants leased the Sea Centre. Of the 10 tenancies, 1 tenant changed from a 3 year lease to an annual lease during the year, 1 tenant left and 1 new tenancy was entered into in the last quarter of 2016/17.

	2017	2016
Not later than one year	200,499	158,137
Later than one year and not later than five years	189,947	448,996
Later than five years	-0	117,159
Total non-cancellable operating leases	390,446	724,292

21. CONTINGENT LIABILITIES AND ASSETS

Contingent assets

As at 30 June 2017 the Marina had no contingent assets (2016: \$nil).

Contingent liabilities

As at 30 June 2017 the Marina had no contingent liabilities (\$2016: Nil).

22. 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

23. CHANGES IN BUSINESS OF COMPANY

During the year ended 30 June 2017 there were no changes in the nature of business of the company which includes the provision of marina services.

24. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Statement of Comprehensive Revenue and Expenses

The surplus after tax was \$404k (2016: \$316k) for the year ended 30 June 2017. This was above budget by \$50k (2016: \$1k).

Operating Revenue

Operating revenue was below budget by \$118k. This was mainly due to lower than planned Rental revenue specifically 12 metre berth rentals, partially offset by better than expected Hardstand revenue, and an unexpected boost to other revenue during the year.

Operating Expenses

Total expenses (including depreciation and finance expenses) were below budget by \$168k. This was due largely to lower than planned finance charges and depreciation charges of \$128k. Other operating expenses were below budget by \$39k. Depreciation and finance charges were lower due to the decision taken to place on hold the development of a commercial pier.

Statement of Financial Position

The decision not to proceed with the commercial pier development resulted in a higher cash balance, lower than planned net assets and borrowings remain unchanged from the prior year.

Statement of Cash Flows

SML has continued to maintain a positive cash flow. Operating activities are positive and in line with prior years. Investing activities saw expenditure on small-scale developments during the year, including an upgrade to the car parking facilities and the partial completion of café facilities.

25. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events after balance date. (2016: No significant events after balance date).

