



SEAVIEW MARINA LIMITED

**STATEMENT OF INTENT
2026/27 TO 2028/29**

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1. Vision

Renowned as a leading New Zealand Marina that embraces the whole spectrum of services that boaties and water enthusiasts desire.

2. Mission

To provide industry-leading facilities and services that delight customers and stimulate related economic activity whilst meeting shareholder expectations.

3. Nature and scope of activities

Seaview Marina Limited (the Company) is responsible for the operation of the boating facilities and services, the maintenance of infrastructural assets and the development of additional facilities and services as demand dictates.

4. Corporate Governance Statement

The Company is 100% owned by Hutt City Council (the Council) and accordingly is a Council Controlled Organisation (CCO) as defined by the Local Government Act 2002 (LGA). The Directors' role is defined in the LGA, which requires that all decisions relating to the operation of a CCO shall be made pursuant to the authority of the directorate of the CCO and its Statement of Intent (SOI). In addition to the obligations of the LGA, the Company is also covered by the Companies Act 1993, which places other obligations on the Directors.

The Directors are responsible for the preparation of the SOI, which, along with the three-year financial plan, is provided to the Company's Shareholders, the Council. Six monthly and annual reports of financial and operational performance are provided to the Shareholder. Financial and operational management reports are prepared bi-monthly for the Directors.

The Directors of the Company are responsible for the overall control of the Company, but no cost-effective internal control system will permanently preclude all errors or irregularities. The control systems operating within the Company reflect the specific risks associated with the business of the Company.

Drawing down additional funding for the Council-supported capital expenditure comes with significantly increased pressure from finance expenses, compared with prior years. Additionally, there are some unknowns around the final costs of these large transactions. The Directors of the company have not budgeted for dividend

payments in 2026/27 and the following years. However, should the criteria set out in the dividend policy be satisfied in any given year, the directors will consider declaring and paying a dividend.

5. Corporate Goals

The principal goal of the Company is to operate as a successful business, achieving the objectives specified in this SOI. The specific corporate goals of the Company are as follows:

General

1. Ensure that the Company's strategic plans are consistent with the operating plans and policies of the Council group
2. Ensure that the SOI and operating strategies within are adhered to
3. Keep the Shareholder informed of matters of substance affecting the Company
4. Continually review operating strategies, financial performance, and service delivery of the Company
5. Develop the Company into one of New Zealand's premier marina businesses

Economic

1. Maximise the financial returns achieved and shareholder value
2. Return a minimum return on equity (ROE) per annum of 0.1%, 0.1% and 0.4% for each financial year commencing 1 July 2026/27
3. Maintain the Company's financial strength through sound and innovative management

Social and environmental

1. Support recreational boating activities in the Wellington Region
2. Promote safe work practices
3. Act as a socially responsible and environmentally aware corporate citizen and to contribute to, or assist where possible, the Council's community outcomes (as listed in the Council's Annual Plan or Long-Term Plan)
4. Reduce direct emissions by 50% by 2030 and achieve net-zero emissions by 2050. Following the initial analysis, the targets will be updated

6. Specific objectives for the year ending 30 June 2027

In pursuit of its corporate goals, the Company has the following objectives for the next 12 months:

General

1. Meet the goals and objectives stated in the Statement of Intent and Strategic Plan

Economic

1. Achieve all financial projections
2. Ensure that the reporting requirements of the Company and the Shareholder are met

Social and environmental

1. Maintain a good employer status by:
 - a. complying with all employment legislation and
 - b. operating open and non-discriminatory employment practices
2. Ensure no transgression of environmental and resource laws
3. Review the activities undertaken by the Company for the purposes of being a good socially and environmentally responsible corporate citizen

7. Shareholder expectations

The Shareholder has communicated its expectations for the business over the next three years. These expectations are laid out under the following four categories: Health, Safety and Well-being, Development Plans, Returns to Shareholders, and Strategic Priorities.

Health, safety and well-being

Health and safety, with the inclusion of staff wellbeing, will continue to be a top priority and be embedded within all activities of the marina.

Development plans

In water

Council supports a process of design and consultation for in-water infrastructure and further development, which will cater to present and future demand. Initial in-water construction contracts should sort for the refurbishment programme of SML's

oldest or worst conditioned piers first. Once the financing impacts of this work are fully understood, then SML can move into the refurbishment of other piers.

On-land

Council understand the increased demand SML is seeing for leased commercial spaces. SML will engage with Council, stakeholders (and community partners) to continue the formation of an on-land 'masterplan' to facilitate public benefit, site development, and to realise the SML vision and mission. Council expects SML to engage in the review of the District Plan process.

Financial stewardship and sustainability

The Council expects financial returns by way of dividends and breakwater lease payments. Breakwater lease payments are presently payable but will cease if the breakwaters are transferred to SML by sale or long-term lease. Dividend payments are currently not included each year of the SOI, however will be made by SML, provided that these fit with the SML Dividend Policy.

Noting the significant cost escalations, SML should investigate and implement cost reduction strategies where appropriate, including exploring discounts with suppliers and optimising procurement approaches that produce value for money whilst also enabling the achievement of broader outcomes.

Strategic priorities

Promote Māori outcomes

The Company acknowledges that the Council is committed to improving outcomes for Māori and to working with our mana whenua partners to shape Lower Hutt for the future. The Company is expected to fully participate alongside the Council in any formal relationship agreements with Mana whenua as they relate to improving outcomes relevant to the Company. It is expected that the Company takes an active and meaningful approach to engaging with mana whenua and Māori through all its work and exploring partnership/joint venture opportunities within the Company's future developments.

Social and environmental

Support of charitable non-profit ventures connected with the organisation's business will continue to be a focus, including work with the disability sector. The Council asks the Company to continue to develop partnerships supporting the growth of local maritime businesses that are focused on utilising renewable energy sustainably and are aligned with the Council's 'carbon zero' initiatives.

Council was pleased to see the Company maintain the Clean Marina Programme accreditation. Council expects SML to reinforce its commitment to this programme and understands that continual improvement through work and investment is required to retain this accreditation.

Living wage

Council became Living Wage accredited in November 2021 which cemented the commitment to continue the programme of implementing the Living Wage as the minimum rate for people working on Council procured contracts for services. Council's expectation is that SML will support and promote the Living Wage. SML will ensure as and when services are procured that it is a mandatory requirement for suppliers to pay staff delivering the services under contract the Living Wage as a minimum rate.

In addition, Council request that SML continue to promote the implementation of the Living Wage among the commercial tenants operating within SML. Council expect SML to encourage leaseholder commitment to paying the Living Wage, by actively engaging with leaseholders to emphasise the benefits to employees and businesses.

Climate change

Council has cited the need to prioritise reducing city-wide emissions to net zero carbon, including the need to halve our own operational emissions by 2030. Council expects that SML will participate in the delivery of this objective, in line with our city-wide Climate Action Pathway and implement, monitor, and measure any agreed actions signed up to by SML. There are two areas of action for SML to consider:

- a. To replace fuel-powered vehicles, equipment, and plants with electric-powered equivalents when due for replacement, provided equivalents are commercially viable
- b. Additionally, the Company should develop a factual understanding of sea-level change and the performance of the breakwaters in relation to this. This improved understanding is to inform the financial planning regarding sea-level change, as part of the asset management plan

Integration with Tupua Horo Nuku

In line with the expectations to improve community engagement, SML will continue to engage with Council to develop an understanding of the Tupua Haro Nuku Eastern Bays shared path project, and how this will interact with all

the activities in the Marina – not limited to commercial opportunities, public benefit, and health and safety implications.

Advanced knowledge of transportation vessels

SML should continue to support and develop relationships with ferry operators both locally and nationally, with the goal to better understand the business of passenger carrying watercraft. A formation of understanding of opportunities and implications of ferry service to the area will better inform both the on land and in-water development plans.

Achieve wider outcomes – employment and training

Whilst SML is a small team, SML's work programme should create local training opportunities and support local employment, wherever possible. SML will utilise more specialised training programmes through GMI (Global Marina Institute), and MAST (Marine and Specialised Technologies Academy) to provide career pathways for staff.

Performance measures

Key performance indicators	2026/27	2027/28	2028/29	Reporting frequency
Financial				
Deliver the total annual budgeted EBITDA ¹	EBITDA within budget	EBITDA within budget	EBITDA within budget	Six monthly
Achieve a prescribed rate of ROE before tax and dividends ²	0.1%	0.1%	0.4%	Annually
Non-financial				
To provide financial or non-financial support to at least three charitable (non-profit) ventures with a marine focus during any given financial year	Support for at least three organisations	Support for at least three organisations	Support for at least three organisations	Annually

Relationship and communication				
Meet all shareholder reporting deadlines	See Section 12	See Section 12	See Section 12	See section 12
Public benefit		Perform a survey of public opinion on marina facilities (during the 3 rd quarter)		Biennially
Risk management and human resources				
Notifiable health and safety incidents	No incidents	No incidents	No incidents	Bi-Monthly
Marketing				
Subject to economic conditions prevailing, implement a strategy to improve occupancy rates	Berth occupancy equal to or greater than 78%	Berth occupancy equal to or greater than 80%	Berth occupancy equal to or greater than 82%	Bi-Monthly

Notes on performance measures

1. EBITDA is defined as Earnings before interest, taxes, depreciation and amortisation
2. ROE is defined as Surplus/(Deficit) before tax and dividends and excluding losses or gains arising from the revaluation of similar assets within an asset class, divided by the opening balance of equity at the start of the year

8. Financial Projections

The projections have been prepared using several assumptions about the future, as well as business trends over the previous five years. In determining these projections, the Board and Management have applied their judgment to the future commercial environment in which the Company operates.

	Forecast 2026	Budget 2027	Plan 2028	Plan 2029
Total revenue	3,652,131	3,672,470	3,906,189	4,039,210
Total expenses	3,495,642	3,652,107	3,872,394	3,939,271
Surplus before tax and dividend	156,489	20,363	33,795	99,939
Total assets	27,654,643	27,631,189	31,059,282	31,149,759
Total liabilities	4,606,569	4,568,454	7,972,215	7,990,735
Total equity	23,048,073	23,062,735	23,087,067	23,159,023
Return on equity ¹	0.7%	0.1%	0.1%	0.4%

¹ Return on equity is defined as net surplus / (deficit) divided by the opening balance of equity at the start of the year

Capital Expenditure Projections

	Forecast 2026	Budget 2027	Plan 2028	Plan 2029
Miscellaneous capital	241,000	303,250	323,920	298,000
Pier E refurbishment	263,461	383,927	-	-
Pier A refurbishment	-	743,453	-	-
Breakwater	-	-	3,400,000	-
Pier B refurbishment	-	-	808,852	-
Pier C refurbishment	-	-	-	880,061
Total capital expenditure	504,461	1,430,630	4,532,772	1,178,061

9. Financial Statements

Prospective Statement of Comprehensive Revenue and Expenses For the year ended 30 June

	Forecast 2026	Budget 2027	Plan 2028	Plan 2029
REVENUE				
Rental revenue	3,152,919	3,257,429	3,364,134	3,486,007
Other user charges	157,238	189,137	203,941	208,653
Interest revenue	32,060	26,412	11,104	10,157
Product sales	287,638	176,548	303,378	310,052
Other revenue	22,275	22,944	23,632	24,341
Total revenue	3,652,131	3,672,470	3,906,189	4,039,210
EXPENSES				
Employee expenses	746,207	905,158	927,810	955,592
Operating expenses	1,791,372	1,876,716	1,722,420	1,761,580
Finance expenses	170,910	154,262	329,400	329,400
Product cost of sales	255,966	157,632	270,873	276,832
Loss on Asset Disposals	-	-	-	-
Depreciation	531,187	558,339	621,892	615,867
Total expenses	3,495,642	3,652,107	3,872,394	3,939,271
Surplus before tax	156,489	20,363	33,795	99,939
Income tax expense	43,817	5,702	9,463	27,983
Surplus after tax	112,672	14,662	24,332	71,956
Total Comprehensive Revenue and Expenses	112,672	14,662	24,332	71,956

Prospective Statement of Changes in Equity

For the year ended 30 June

	Forecast 2026	Budget 2027	Plan 2028	Plan 2029
Balance at 1 July	22,097,409	23,048,073	23,062,735	23,087,067
Total comprehensive revenue and expenses for the year	112,672	14,662	24,332	71,956
Dividend - Hutt City Council ¹	-	-	-	-
Gain / (Loss) on Revaluation Reserve	837,991	-	-	-
Balance at 30 June	23,048,073	23,062,735	23,087,067	23,159,023

¹ Dividends are not budgeted however will be returned to the shareholder if the Company's dividend policy is met

Prospective Statement of Financial Position

For the year ended 30 June

	Forecast 2026	Budget 2027	Plan 2028	Plan 2029
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	1,886,921	996,277	507,633	30,418
Debtors and other receivables	383,551	383,551	383,551	383,551
Prepayments	249,148	244,048	249,905	255,403
Inventory	16,337	16,337	16,337	16,337
Total current assets	2,535,958	1,640,214	1,157,427	685,710
NON-CURRENT ASSETS				
Property, plant and equipment at cost	28,925,613	28,925,613	32,325,613	32,325,613
Property, plant and equipment accumulated depreciation	(4,118,118)	(4,676,457)	(5,298,349)	(5,914,217)
Intangible assets	-	-	-	-
Intangible asset accumulated depreciation	-	-	-	-
Assets under construction	311,190	1,741,820	2,874,591	4,052,652
Total non-current assets	25,118,684	25,990,975	29,901,855	30,464,048
TOTAL ASSETS	27,654,643	27,631,189	31,059,282	31,149,759
LIABILITIES				
CURRENT LIABILITIES				
Payables and deferred revenue	586,578	586,578	586,578	586,578
Employee entitlements	87,324	87,324	87,324	87,324
Advances from related parties	55,914	55,914	55,914	55,914
Current tax liability	43,817	5,702	9,463	27,983
Total current liabilities	773,633	735,518	739,279	757,799
NON-CURRENT LIABILITIES				
Deferred tax liability	1,132,936	1,132,936	1,132,936	1,132,936
Borrowings	2,700,000	2,700,000	6,100,000	6,100,000
Total non-current liabilities	3,832,936	3,832,936	7,232,936	7,232,936
TOTAL LIABILITIES	4,606,569	4,568,454	7,972,215	7,990,735
Net assets (assets minus liabilities)	23,048,073	23,062,735	23,087,067	23,159,023
Equity				
Accumulated funds	(13,886,159)	(13,871,497)	(13,847,165)	(13,775,209)
Share capital	21,281,903	21,281,903	21,281,903	21,281,903
Revaluation reserve	15,652,329	15,652,329	15,652,329	15,652,329
Total equity attributable to Seaview Marina Limited	23,048,073	23,062,735	23,087,067	23,159,023

Equity Value of the shareholders' investment

The estimated net value of the shareholder's investment in the company on 30 June 2026 will be \$23.05m and \$23.06m on 30 June 2027.

Prospective Statement of Cash Flows

For the year ended 30 June

	Forecast 2026	Budget 2027	Plan 2028	Plan 2029
CASH FLOW FROM OPERATING ACTIVITIES				
<i>Cash was provided from:</i>				
Receipts from rentals	3,192,070	3,270,579	3,377,547	3,499,687
Interest received	31,866	26,691	11,104	10,157
Receipts from user charges and other revenue	445,116	375,480	517,538	529,365
	3,669,052	3,672,749	3,906,189	4,039,210
<i>Cash was applied to:</i>				
Payments to employees	(487,442)	(905,158)	(927,810)	(955,592)
Payments to suppliers	(2,054,166)	(2,029,526)	(1,999,150)	(2,043,910)
Dividend payments	-	-	-	-
Interest paid	(170,910)	(154,262)	(329,400)	(329,400)
Tax paid	-	(43,817)	(5,702)	(9,463)
	(2,712,518)	(3,132,763)	(3,262,061)	(3,338,364)
Net cash flows from operating activities	956,534	539,986	644,128	700,846
CASH FLOW FROM INVESTING ACTIVITIES				
<i>Cash was provided from:</i>				
Sale of assets held for sale	-	-	-	-
<i>Cash was applied to:</i>				
Purchase of property, plant and equipment	-	-	(3,400,000)	-
Purchase of assets under construction	(502,734)	(1,430,630)	(1,132,772)	(1,178,061)
	(502,734)	(1,430,630)	(4,532,772)	(1,178,061)
Net cash flows from investing activities	(502,734)	(1,430,630)	(4,532,772)	(1,178,061)
CASH FLOW FROM FINANCING ACTIVITIES				
<i>Cash was provided from:</i>				
Proceeds from borrowings - Hutt City Council	90,326	-	3,400,000	-
	90,326	-	3,400,000	-
<i>Cash was applied to:</i>				
Repayment of borrowings - Hutt City Council	-	-	-	-
	-	-	-	-
Net cash flows from financing activities	90,326	-	3,400,000	-
Net increase/(decrease) in cash, cash equivalents and bank overdrafts	544,127	(890,644)	(488,644)	(477,215)
Cash, cash equivalents and bank overdrafts at the beginning of the year	1,342,794	1,886,921	996,277	507,633
Cash, cash equivalents and bank overdrafts at the end of the year	1,886,921	996,277	507,633	30,418

10. Accumulated profits and capital reserves

The intention is to pay a dividend to the shareholder when the dividend policy is met.

11. Share acquisition

There is no intention to subscribe for shares in any other company or invest in any other organisation during the period covered by this SOI. Notwithstanding this, the purchase of any shares requires shareholder approval.

12. Information to be provided to the Shareholder

Each year, the Company shall comply with the reporting requirements under the LGA, the Companies Act 1993, and other relevant regulations.

The Company will provide:

Statement of Intent

A draft SOI by 1 March of the year preceding the financial year to which it relates, detailing all matters required under the LGA, including financial information for the next three years. A final SOI before the commencement of the financial year to which it relates.

Half-yearly report

Within two months after the end of the first half of each financial year, the Company shall provide a report on the operation of the Company to enable an informed assessment of its performance, including financial statements, and progress on activities and projects in accordance with the LGA.

Annual report

Within three months after the end of each financial year, the Company will provide an annual report that provides a comparison of its performance with the SOI, with an explanation of any material variances, audited consolidated Financial Statements for that financial year, and an Auditor's Report in accordance with the LGA.

13. Pricing policy

The Company operates in a competitive market competing with two other floating marinas within the Wellington Region and, to a lesser extent, with the Marlborough region marinas. All marina charges, apart from the Wellington Marine Centre Leases, are reviewed on an annual basis. The review is based on several criteria, which are listed below:

Market trends

The Company positions its charges reasonably to provide excellent value in the Wellington marina market and will adjust charges according to movements in other marinas of a similar standard.

Operating costs

Increases in operating costs related to the marina activities compared with the previous year.

Achievement of return on equity

The Council sets a minimum ROE that the Company is required to achieve each year, and to achieve this, rental charges are set accordingly.

14. Transactions with related parties

Transactions between the Company, the Council and other Council-controlled enterprises will be conducted on a wholly commercial basis. Charges from the Council and its other companies will be made for services provided as part of the normal trading activities of the Company.

Related party	Transaction
Finance Business Unit	Provision of accounting services and the consolidation of the Company's financial accounts into the Council's accounts.
People and Capability Business Unit	Provision of People and Capability support and services, including recruitment and other specialist support.
IT Business Unit	Provision of technical support for the Company's computer hardware and systems.

Accounting Policies

Reporting entity

The Company is a CCO, 100 per cent owned by the Council. The primary objective of the Company is the operation of a marina that benefits the community of Hutt City. The Company is designated as a public benefit entity for financial reporting purposes.

Basis of preparation

The financial statements have been prepared on a 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 LGA, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practices Standards (NZ GAAP). They comply with International Public Sector Accounting Standards and other applicable Financial Reporting Standards, as appropriate for public benefit entities (PBE) that apply Tier 2 PBE accounting standards. As the Company's total expenses are under \$33,000,000, 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 the Company is New Zealand dollars.

15. Summary of Significant Accounting Policies

Revenue

The Company derives revenue from its licensees and casual clients. The income is generated from a range of rentals for boat storage and building tenancies, as well as services available through the facilities provided by the Company.

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 the 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.

Expenses

Expenses are recognised when the goods or services have been received on an accrual basis.

Cash and cash equivalents

Cash and cash equivalents include 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

Land is measured at fair value, and buildings are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Additions

Expenditure of a capital nature of \$1,000 or more is capitalised. Expenditure of less than \$1,000 is 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 the Company 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 the Company and the cost of the item can be measured reliably.

Work in 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 Expenses.

Subsequent costs

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

Revaluation

Land, site improvements and buildings are reviewed each year to ensure that their carrying amount does not differ materially from fair value and are revalued when there has been a material change. All other asset classes are carried at depreciated historical cost. Revaluation movements are accounted for on a class of asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expenses and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expenses but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed and then recognised in other comprehensive revenue and expenses.

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.

Estimated economic life	Years	Rate
Buildings	5 - 33	3% - 20%
Service centre, hardstand, travel life	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 are reviewed and adjusted if applicable at each financial year end.

Intangible assets

Software acquisition and development

Acquired computer software licenses are capitalised based on 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 the Company 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 Expenses.

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

Estimated economic life	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 Income and Expense.

Goods and Services Tax

All items in the financial statements are stated exclusive of goods and services tax (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.

Employee entitlements

Short-term entitlements

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

The Company 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 the balance date, to the extent that the Company anticipates it will be used by staff to cover those future absences.

The Company 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

The Company recognises a provision for the future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) because 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 the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Borrowing costs

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

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 the balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods concerning 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 the balance date. The measurement of deferred tax reflects the tax consequences that would follow from the way 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

The Company has not entered into any material finance leases.

Financial instruments

The Company is a 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 based on 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 NZ 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, the Company 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 ongoing 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.

16. Company information

Registered Office

100 Port Road
Seaview
Lower Hutt 5010

Private Bag 33 230
Petone 5012
Phone: +64 (4) 568 3736

www.seaviewmarina.co.nz

Auditor

Audit New Zealand

Banker

Westpac New Zealand Limited

Solicitor

Thomas Dewar Sziranyi Letts

Directors

Peter Steel
Tui Lewis
Rick Wells
Kit Nixon
Sarah Rusholme

Chief Executive

Tim Lidgard