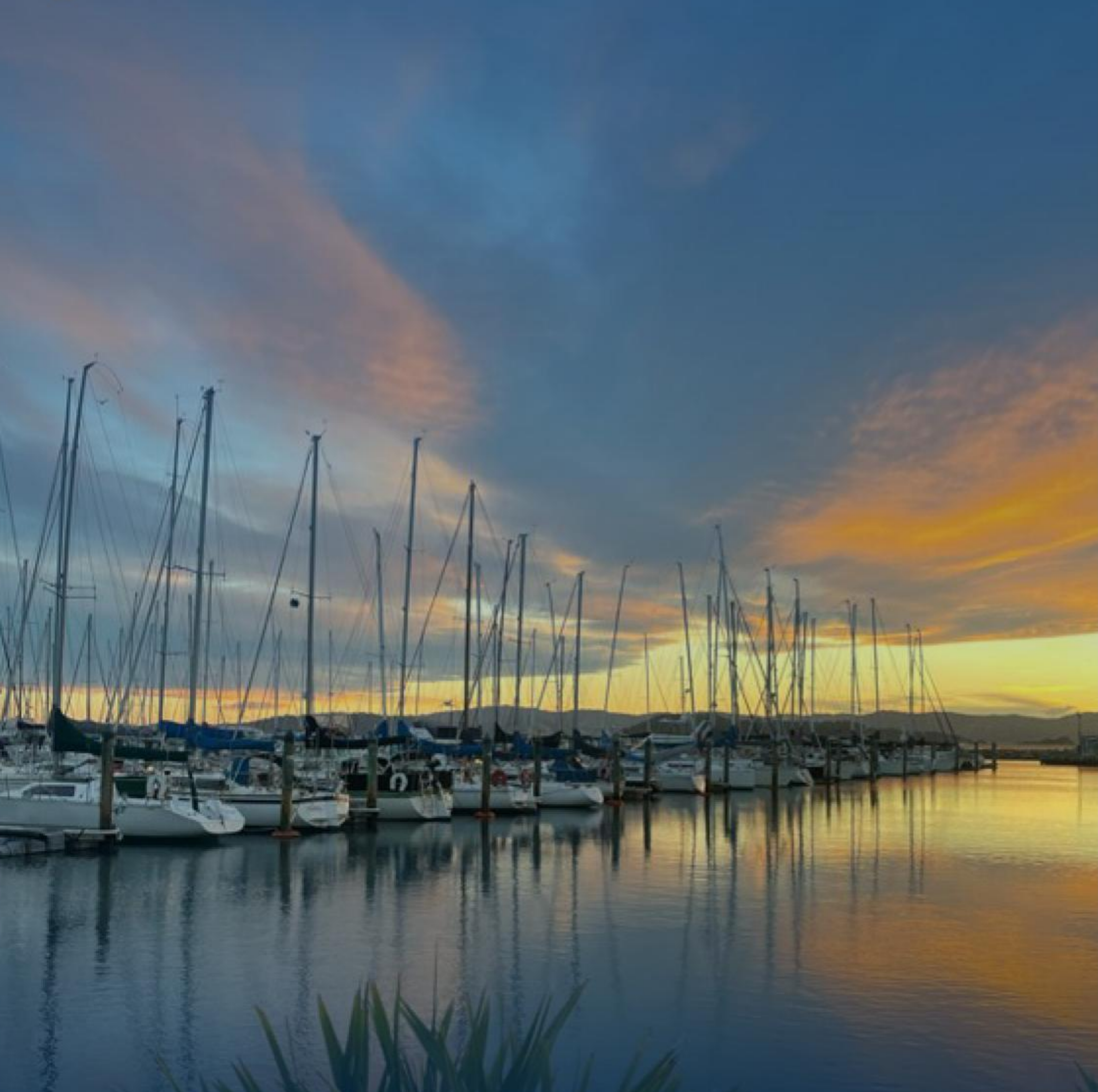
seaviewmarina



ANNUAL REPORT · 2025 – 2026

# SEAVIEW MARINA LIMITED

FOR THE YEAR ENDED 30 JUNE 2026

2026

# Contents

# Chairman’s Report

### For the year ended 30 June 2026

This has been another busy year for the marina, with a strong level of activity on land and in water.  It is good to see the activity in the marina’s businesses and boat owners as well as visitors and members of public enjoying the marina’s facilities.

The marina has seen reduced financial performance with the end of year result below budget.  We acknowledge the impact of the regional and national economic situation on our customers and note that we have incurred some increased and unbudgeted expenses which have affected the result, including costs to address the adverse impact of the Hutt City Proposed District Plan on the marina.  Our 2026/27 planning is for a return to a surplus relative to budget for the business.

This year, we have not paid a dividend to our shareholder the Hutt City Council, after two years of dividend payments. This reflects the marina’s financial performance for the year and also the original intention for purchase of the marina breakwaters from the Council this year.  The breakwater purchase, which is now planned for next year will increase our debt and reduce our ability to pay dividends in future.

While there has been no dividend, this year SML still has contributed $258k to the Council in services payments and lease costs which relates to 7% of our revenue and excludes $158k in HCC rates and water charges.

We have continued to work with the Council on the transfer of the Marina Breakwaters to SML.  The complexities and legal requirements which need to be observed for this transaction along with other important change processes for the Council mean that we have deferred action to transfer the breakwaters to the 2026/27 financial year.  There will be no difference in what our community sees or experiences following this transaction, but SML will control and be able to manage any maintenance or ‘topping up’ of the breakwaters which may be required in the future.

Noteworthy activities undertaken by the Marina over the past year have been:

- Re-accreditation under the Clean Marina Programme for the fourth year running after a successful independent audit against programme criteria.
- Continued support for Sailability Wellington, the largest sailing program for people with disabilities in Aotearoa
- Refurbishment of Unit 11 into high-end office space and securing tenancy upon completion.
- Acquisition of the Compass Coffee café commercial kitchen unit and refurbishment for compliance.
- Remodel of mobile office unit to accommodate essential additional human resources.

Input by the Board this year has continued at a high level and I would like to thank my fellow directors Kit Nixon, Sarah Rusholme, Tui Lewis and Rick Wells for their unstinting commitment to supporting the business.  Kit and Sarah commenced as Board members at the start of the year and have developed a strong understanding of our business over the year.

The Board have been well supported by Tim Lidgard and the Marina team. Appreciation must also go to our shareholder the Hutt City Council for its ongoing support and encouragement.

**Peter Steel**

**CHAIRMAN**

# Chief Executive's Report

### For the year ended 30 June 2026

**Overview**

This report concludes my fifth, and most challenging, year as Chief Executive of Seaview Marina Ltd. (SML). Similar to the prior year, the 2025/26 financial year has required the SML team to be nimble and resilient in the face of increasing operational pressures. In 2025/26 SML has encountered significant unexpected expenses, and the SML team has navigated those challenges well. Looking forward, SML remain confident in our position as a major contributor to the greater region's marine infrastructure.

The 2025/26 financial year saw costs of living intensify across the wider economy and again this had a noticeable impact on Seaview Marina. The effects of tightened household budgets reduced demand for both vessel berthage and related marina services. This was evidenced by the loss of local long-standing marine service businesses. Marina occupancy levels have been particularly affected.

SML have continued to solidify the foundation of our team, increasing human capital through developing and building our capabilities. I have again been impressed and proud of the SML teams unwavering effort and commitment to a high standard of customer service.

In the Chief Executive's office, work has continued to ensure SML remains strategically positioned to meet the future. Key areas of focus included:

- Steering the SML submissions to the Hutt City Council (HCC) proposed district plan.
- Ensuring reaccreditation to the Clean Marina Programme through the successful outcome of an independent audit.
- Progressing financial modelling for both the agreed transfer of breakwater ownership from HCC to SML and, the mid-life refurbishment of SML's floating infrastructure.
- Finalising the contract and plan for the mid-life refurbishment of SML's E pier.

**Financial Results**

Total revenue for the year was $3.67m, a 2.1% decrease on the prior year and 5.1% behind budgeted expectations. Softer berthage demand and continued pressure on discretionary spending impacted key revenue streams, particularly marina tenancy, where lower berth occupancy drove the majority of the shortfall, and diesel sales, which were affected by reduced demand amid global fuel price volatility.

However, consistent performance from SML's Hardstand and Marine Centre operations, which both exceeded budget, helped offset shortfalls elsewhere. Hardstand usage remained strong due to its convenience and the continued preference by marine contractors for the paved and undercover working environments available at SML.

Total expenses, including depreciation and finance costs, for the year came in at $3.57m, a 6.8% increase in expenses over the prior year, but 3.8% below budget. Inflationary impacts were again evident across rates, insurance, maintenance, and service contracts. Unplanned repair costs from severe storms, a loss on sale of assets due to asset write-offs, and required specialist consultancy costs related to the proposed district plan, were all realised.

As a result of these pressures, SML recorded a pre-tax surplus of $93k. This result is $55k behind budget, reflecting the shortfall in revenue. The Board and management are focused on rebuilding tenancy revenue in the years ahead.

**Equity**

SML's total equity as of 30 June 2026 stands at $23.1M, up from $22.1M the previous year.

**Health, Safety, and the Environment**

There was one near miss during the 2025/2026 year related to bollards shearing from a concrete pier under an extreme load exerted by a commercial vessel. This incident did not involve SML personnel but did concern the SML facility. This incident was notifiable to WorkSafe, as criteria for notifiable incidents has changed to include near misses. WorkSafe were satisfied with SML's reporting, subsequent investigations, and follow up actions. Environmentally, SML continues to hold Clean Marina certification under the New Zealand Clean Marina Programme. We take great pride in maintaining and improving our environmental performance each year.

**Public Good**

Our role in the community is a source of great pride. During 2025/26, SML supported a number of local initiatives and charitable events, including:

- Petone Charity Fishing Competition
- NZME Special Children's Christmas Party
- The Keep New Zealand Beautiful Charitable Trust
- Sailability Charitable Trust
- Wellington Water Ski Club – ramp pass subsidies
- Lowry Bay Yacht Club – event sponsorship and prizes

**My Appreciation**

I wish to extend a sincere thank you to each member of the SML team. The number of staff at SML sits well below the average for marinas of comparable complexity. The SML team cover a diverse range of tasks, often in trying Wellington conditions. It is their efforts that have enabled SML to meet this year's challenges head on.

I thank the Board of Directors for their encouragement and piloting, and I also thank Hutt City Council as our shareholder for its continued acknowledgement of SML's future potential.

Finally, to our loyal customers; your continued support of Seaview Marina enables us to look forward with the view to grow offerings and improve service. Thank you for making that possible.

Tim Lidgard

CHIEF EXECUTIVE

# Statement of Service Performance

## Mission

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

## 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.

## Specific Objectives for the year ended 30 June 2026

In pursuit of its corporate goals, the Company has the following objectives:

## 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 0.7%, 0.5% and 0.7% for each financial year commencing 1 July 2025/26
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
2. 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)
3. Reduce direct emissions by 50% by 2030 and achieve net-zero emissions by 2050. Following the initial analysis, the targets will be updated

## Performance measures

| Key performance indicators | 2025/26 Target | 2025/26 Actuals | 2024/25 Target | 2024/25 Actual |
|---|---|---|---|---|
| **Financial** | | | | |
| Deliver the total annual budgeted income | Achieve 100% of the total budgeted income | Not achieved – 95% due to lower than planned marina berth occupancy rates. | Achieve 100% of the budgeted income. | Not achieved – 96.8% due to lower than planned marina berth occupancy rates. |
| Deliver the total annual budgeted net surplus(1) | Net surplus within budget | Not achieved – due to unexpectedly lower berth revenue; $69k district plan submission costs; greater repair costs from storms; disposals of unclaimed boats and $57k asset disposal costs. | Net surplus within budget | Achieved – mainly due to unfilled staff positions. Additionally, the $3.4M loan was not drawn down resulting in finance expenses coming in below budget. |
| Achieve the prescribed return on equity(2) | Achieve greater than or equal to 0.7% | Not Achieved with 0.4% - due to surplus not meeting budget. | Achieve greater than or equal to 1.0% | Achieved with 1.9% - primarily due positive return in the current year. |
| Manage capital expenditure | Complete within capital budget | Achieved | Complete within budget and on time. | Achieved – primarily due to deferred Pier refurbishment. |
| **Relationship and communication** | | | | |
| Client Service & Customer Needs | 80% satisfaction in the bi-annual survey | N/A – this is reported biennially | 80% satisfaction in the bi-annual survey | Not Achieved 78.3% - mainly attributable to significant price increases and long-running repair time frames. |
| Special Interest Messages | Complete four messages per annum | Achieved - 4 x Newsletters, 78 customer messages. | Complete four messages per annum | Achieved - 3 x Newsletters, 31 customer messages. |
| Meet all shareholder reporting deadlines. | Reporting deadlines for 2025/26 | Achieved – all reporting deadlines met. | Reporting deadlines for 2024/25 | Achieved – all reporting deadlines met. |
| **Risk management and human resources** | | | | |
| Notifiable health and safety incidents | Zero incidents | Not achieved - One notifiable health and safety incident. | Zero incidents | Not achieved - Two notifiable health and safety incidents. |
| Staff satisfaction | Achieve 85% staff satisfaction | Not achieved - Staff Satisfaction of 84% | Achieve 85% staff satisfaction. | Achieved - Staff Satisfaction of 92% |
| **Marketing** | | | | |
| Implement a marketing strategy to improve occupancy rates | Berth occupancy equal to or greater than 80% | Not Achieved - Average occupancy 75% (nearest whole %) | Berth occupancy equal to or greater than 80% | Achieved - Average occupancy 80% (nearest whole %) |

| Non-financial | | | | |
|---|---|---|---|---|
| To provide financial or non-financial support to at least three charitable (non-profit) ventures with a marine focus during any given year. | Support for at least three organisations | Achieved – <br>• Sailability Charitable Trust<br>• Petone Charity Fishing Competition<br>• Support for St James Sea Scouts Adventure week<br>• Korokoro Scouts Percy Reserve event sponsor<br>• Donation to Brain Injured Children<br>• Contribution to NZME Special Children's Christmas Party | Support for at least three organisations | Achieved – <br>• Sailability<br>• Petone Fishing Competition<br>• Blue September (Prostate Cancer Foundation) via Regional News. |
| Public benefit | Perform a survey of public opinion on marina facilities (during the third quarter) | Achieved – Community Perception Survey completed in April 26 | Perform a survey of public opinion on marina facilities (during the third quarter) | N/A – Performance measure shifted to 2025/26 in the 2024/25 S.o.I, in order to alternate years with the customer satisfaction survey. |
| **Environmental** | | | | |
| Reduce direct emissions | Using 2024/2025 analysis, identify the emission sources, and complete a 5-year plan for a 50% emissions reduction. | Achieved - Completed an analysis on Seaview Marina's emissions identifying additional emission sources not captured from prior years. A 5-year plan for emissions reduction has been prepared and will be under consideration | Perform analysis to establish annual baseline emissions from fossil fuelled vehicles, plant, and equipment | Achieved - Completed an initial analysis to define Seaview Marina's emissions. Further work is required to identify all emission sources and establish an appropriate baseline. |
| Fleet and equipment | Equipment or vehicles utilising fossil fuels are to be phased out by equipment or vehicles that are electric or utilise another low-carbon alternative. | Not Achieved – No fossil fuel vehicles or equipment have been phased out due to financial constraints. | N/A – Removed as a performance measure in the 2024/25 S.o.I | N/A – Removed as a performance measure in the 2024/25 S.o.I |

1. 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
2. Excludes carry forward of expenses on projects from prior years, unless specifically budgeted for (e.g., where the project spans two or more fiscal periods). Refers to the total capital budget

The Audit Office
Te Mana Arotake

# Independent auditor's report

## To the readers of Seaview Marina Limited's financial statements and performance information for the year ended 30 June 2026

The Auditor-General is the auditor of Seaview Marian Limited (the Company). The Auditor-General has appointed me, Debbie Bradfield, using the staff and resources of The Audit Office, to carry out the audit of the financial statements and performance information on his behalf.

### Opinion

We have audited:

- the financial statements of the Company that comprise the statement of financial position as at 30 June 2026, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include material accounting policy information and other explanatory information on pages 15 to 36; and

- the performance information that consists of the statement of service performance for the year ended 30 June 2026 on pages 7 to 9.

In our opinion:

- the financial statements of the Company present fairly, in all material respects, its financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended, in accordance with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and

- the performance information accurately reports, in all material respects, the Company's actual performance compared against the performance targets and other measures adopted for the year ended 30 June 2026, and has been prepared, in material respects, in accordance with section 68 of the Local Government Act 2002 (the Act).

### Basis for our 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 comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime. The Board of Directors is also responsible for preparing the performance information contained in the statement of service performance of the Company in accordance with the Act.

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 there is an intention to liquidate the Company or to cease operations, or there is 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 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 performance information.

For the budget information reported in the financial statements and 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 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 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 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 information we audited 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We evaluate the overall presentation, structure and content of the performance information, including the disclosures, and assess whether the performance information achieves its statutory purpose of enabling the Company's readers to judge the actual performance of the Company against its objectives in its statement of intent.

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 all of the information included in the annual report other than the financial statements and the performance information consisting of statement of service performance, 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 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 Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)*, issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Company.

DBradfield

Debbie Bradfield
The Audit Office
On behalf of the Auditor-General
Wellington, New Zealand
12 August 2026

# Financial statements

## Statement of Compliance and Responsibility

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

### Responsibility

The Directors and management of the Company accept responsibility for the preparation of the annual Financial Statements and the Statement of Service Performance, and the judgements used in them.

The Directors have the authority to sign the Financial Statements and the Statement of Service Performance.

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 the finances, including performance 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 2026 fairly reflect the financial position and operations of the Company.

**Peter Steel**
Chairman
12 August 2026

**Sarah Rusholme**
Director
12 August 2026

# Statement of Comprehensive Revenue and Expense

### For the year ended 30 June 2026

| Revenue | Note | Actual 2026 | Budget 2026 | Actual 2025 |
|---|---|---|---|---|
| Rental revenue | 2 | **3,248,873** | 3,415,368 | 3,246,300 |
| Other user charges | | **68,299** | 79,200 | 73,785 |
| Interest revenue | 3 | **46,252** | 28,976 | 63,679 |
| Product sales | | **284,090** | 316,417 | 305,818 |
| Other revenue | | **18,611** | 21,319 | 54,940 |
| **Total revenue** | | **3,666,125** | **3,861,280** | **3,744,522** |
| | | | | |
| **Expenses** | | | | |
| Personnel expenses | 4 | **736,448** | 899,668 | 634,752 |
| Operating expenses | 5 | **1,826,261** | 1,668,226 | 1,694,590 |
| Loss on sale of asset | | **57,317** | - | 3,520 |
| Product cost of sales | | **253,999** | 295,666 | 298,377 |
| Finance expenses | 3 | **170,910** | 284,462 | 170,910 |
| Depreciation and amortisation | 11 | **528,489** | 565,553 | 542,883 |
| **Total expenses** | | **3,573,424** | **3,713,575** | **3,345,032** |
| | | | | |
| **Surplus before tax** | | **92,701** | **147,705** | **399,490** |
| | | | | |
| Tax expense | 6 | **21,420** | 41,357 | 6,850 |
| | | | | |
| **Surplus / (Deficit) after tax** | | **71,281** | **106,348** | **392,639** |
| | | | | |
| **Other comprehensive revenue and expenses** | | | | |
| *Items that will not be reclassified to surplus / (deficit)* | | | | |
| | | | | |
| Gain on property revaluation | | **837,996** | - | - |
| **Less** tax on revaluation | | **(95,761)** | - | - |
| **Total other comprehensive revenue and expenses** | | **933,757** | **-** | **-** |
| | | | | |
| **Total comprehensive revenue and expenses** | | **1,005,038** | **106,348** | **392,639** |

Explanations of the major variance against budget are provided in note 20. The accompanying notes form part of these statements.

# Statement of Changes in Equity

### For the year ended 30 June 2026

| | Actual 2026 | Budget 2026 | Actual 2025 |
|---|---|---|---|
| **Balance at 1 July** | **22,097,411** | **21,928,710** | **21,804,771** |
| Total comprehensive revenue and expense for the year | 1,005,038 | 106,348 | 392,639 |
| Dividend - Hutt City Council | - | (102,000) | (100,000) |
| **Balance at 30 June** | **23,102,449** | **21,933,058** | **22,097,411** |

Explanations of the major variance against budget are provided in note 20. The accompanying notes form part of these statements.

# Statement of Financial Position

## As at 30 June 2026

| | Note | Actual 2026 | Budget 2026 | Actual 2025 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **CURRENT ASSETS** | | | | |
| Cash and cash equivalents | 7 | **1,653,453** | 493,607 | 1,342,793 |
| Debtors and other receivables | 8 | **145,784** | 364,483 | 368,810 |
| Inventory | | **13,974** | 14,355 | 7,477 |
| Tax receivables | | **34,424** | - | 53,934 |
| Related party receivables | | **-** | - | 34,411 |
| Prepayments | | **248,906** | 276,786 | 268,206 |
| **Total current assets** | | **2,096,541** | **1,149,231** | **2,075,631** |
| | | | | |
| **NON CURRENT ASSETS** | | | | |
| Property, plant and equipment | 11 | **24,773,951** | 27,042,346 | 24,305,251 |
| Intangible assets | | **-** | 895 | 895 |
| Assets under construction | 12 | **289,592** | 1,370,803 | 2,998 |
| **Total non-current assets** | | **25,063,543** | **28,414,044** | **24,309,144** |
| | | | | |
| **TOTAL ASSETS** | | **27,160,084** | **29,563,275** | **26,384,774** |
| | | | | |
| **LIABILITIES** | | | | |
| **CURRENT LIABILITIES** | | | | |
| Payables and deferred revenue | 9 | **222,576** | 289,237 | 369,274 |
| Current tax liability | | **-** | (33,347) | - |
| Employee entitlements | | **62,643** | 95,311 | 85,153 |
| Advances to related parties | 16 | **47,981** | 53,129 | - |
| **Total current liabilities** | | **333,200** | **404,330** | **454,427** |
| | | | | |
| **NON-CURRENT LIABILITIES** | | | | |
| Deferred Tax Liability | 6 | **1,024,435** | 1,125,887 | 1,132,936 |
| Borrowings | 10 | **2,700,000** | 6,100,000 | 2,700,000 |
| **Total non-current liabilities** | | **3,724,435** | **7,225,887** | **3,832,936** |
| | | | | |
| **TOTAL LIABILITIES** | | **4,057,635** | **7,630,217** | **4,287,363** |
| | | | | |
| **Net assets** | 13 | **23,102,449** | **21,933,058** | **22,097,411** |
| | | | | |
| **EQUITY** | | | | |
| Accumulated funds | | **(13,927,548)** | (14,163,182) | (13,998,829) |
| Revaluation reserve | | **15,748,094** | 14,814,337 | 14,814,337 |
| Share capital | | **21,281,903** | 21,281,903 | 21,281,903 |
| **Total equity attributable to Seaview Marina Limited** | 13 | **23,102,449** | **21,933,058** | **22,097,411** |

Explanations of the major variance against budget are provided in note 20. The accompanying notes form part of these statements.

# Statement of Cash Flows

## For the year ended 30 June 2026

| | Actual 2026 | Budget 2026 | Actual 2025 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| ***Cash was provided from:*** | | | |
| Receipts from rentals | **3,459,051** | 3,344,124 | 3,295,180 |
| Interest received | **31,602** | 28,978 | 37,096 |
| Receipts from user charges and other income | **210,883** | 488,165 | 409,578 |
| Tax receivable | **-** | - | 11,960 |
| | **3,701,536** | **3,861,267** | **3,753,814** |
| ***Cash was applied to:*** | | | |
| Payments to employees | **(739,703)** | (899,668) | (602,958) |
| Payments to suppliers | **(2,060,446)** | (1,972,462) | (1,998,942) |
| Dividend payment | **-** | (102,000) | (100,000) |
| Interest paid | **(170,910)** | (284,461) | (170,910) |
| Provisional tax | **-** | (87,088) | - |
| | **(2,971,059)** | **(3,345,679)** | **(2,872,810)** |
| **Net cash flows from operating activities** | **730,477** | **515,588** | **881,004** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| ***Cash was applied to:*** | | | |
| Purchase of property, plant and equipment | **(215,616)** | (3,400,000) | (120,904) |
| Purchase of assets under construction | **(286,594)** | (1,013,920) | - |
| | **(502,210)** | **(4,413,920)** | **(120,904)** |
| **Net cash flows from investing activities** | **(502,210)** | **(4,413,920)** | **(120,904)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| ***Cash was provided from:*** | | | |
| Proceeds from borrowings - Hutt City Council | **82,392** | 3,400,000 | - |
| | **82,392** | **3,400,000** | **-** |
| ***Cash was applied to:*** | | | |
| Repayment of borrowings - Hutt City Council | **-** | - | (37,357) |
| | **-** | **-** | **(37,357)** |
| **Net cash flows from financing activities** | **82,392** | **3,400,000** | **(37,357)** |
| Net increase/(decrease) in cash, cash equivalents and bank overdrafts | **310,659** | (498,332) | 722,743 |
| Cash, cash equivalents and bank overdrafts at the beginning of the year | **1,342,794** | 991,939 | 620,051 |
| **Cash, cash equivalents and bank overdrafts at the end of the year** | **1,653,453** | **493,607** | **1,342,794** |

Explanations of the major variance against budget are provided in note 20. The accompanying notes form part of these statements.

# Notes to the Financial Statements

## 1. Statement of Accounting Policies

### Reporting Entity

The Company is 100% owned by the Hutt City Council.

The primary objective of the Company is to operate a marina, which benefits the Hutt region. The Company is designated a public benefit entity for financial reporting purposes.

The financial statements of the Company are for the year ended 30 June 2026. The financial statements were authorised for issue by the Board of Directors on 12 August 2026.

### 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 Local Government Act 2002 and the Companies Act 1993, including 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 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, modified by the revaluation of land and buildings.

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

### 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.

## 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.

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.

## 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 assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimating the fair value of land, buildings, plant and equipment assets: refer to note 12: Property, plant and equipment.

## New, amended and forthcoming accounting standards

***Standards, amendments and interpretations adopted and effective during the year***
There were no new or amended accounting standards or interpretations that became effective for the entity for the year ended 30 June 2026 that had an impact on the entity's accounting policies or financial statements.

***Standards, amendments and interpretations issued but not yet effective***
At balance date, the following amendment had been issued but was not yet effective and had not been applied in preparing these financial statements.

***2024 Omnibus Amendments to PBE Standards (Amendments to PBE IAS 1 Presentation of Financial Reports)***
The amendment clarifies the principles for classifying liabilities as current or non-current, including requirements relating to loan covenant arrangements. The amendment is effective for annual reporting periods beginning on or after 1 January 2026 and will therefore first apply to entity for the year ending 30 June 2027. The entity

has assessed the amendment and does not expect its adoption to have a material impact on its financial position, financial performance, cash flows, or disclosures.

The entity has considered all other standards, amendments and interpretations issued but not yet effective at balance date and has concluded that they are either not applicable to the entity or are not expected to have a material impact on the entity's financial statements.

***Early adoption***

The entity has not early adopted any standards, amendments or interpretations that have been issued but are not yet effective.

# 2. Rental revenue

## Accounting policy

Revenue is measured at the fair value of the consideration received. 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.

| | 2026 | 2025 |
|---|---|---|
| Berth and trailer park rentals | **2,425,157** | 2,486,061 |
| Boat lifts and hardstand rentals | **392,834** | 376,243 |
| Wellington Marine Centre rentals | **430,882** | 383,996 |
| **Total rental revenue** | **3,248,873** | **3,246,300** |

# 3. Interest revenue and finance expenses

## Accounting policy

Interest revenue is recognised using the effective interest method. Interest revenue consists of interest received from the bank on call, short-term deposits with maturities of three months or less. Interest revenue is recognised in the statement of comprehensive revenue and expense as it is earned.

Finance expenses consist of interest costs that the Seaview Marina incurs in connection with the borrowing of funds from the Council. Finance costs are recognised as an expense in the financial year in which they are incurred.

| | 2026 | 2025 |
|---|---|---|
| **Interest revenue** | | |
| Call and term deposits | **46,252** | 63,679 |
| Related party deposits | **-** | - |
| **Total interest revenue** | **46,252** | **63,679** |
| | | |
| **Finance expenses** | | |
| Call and term deposits | | |
| Related party loans | **170,910** | 170,910 |
| **Total finance expenses** | **170,910** | **170,910** |
| | | |
| **Net finance expenses** | **(124,658)** | **(107,231)** |

# 4. Personnel expenses

## Accounting policy

***Salaries and wages***

Salaries and wages are recognised as an expense as employees provide services.

***Superannuation schemes***

*Defined contribution schemes*

Employer contributions to KiwiSaver and is accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

| | 2026 | 2025 |
|---|---|---|
| Salaries and wages | **722,175** | 573,185 |
| Employer contributions to defined contribution plans | **20,311** | 14,582 |
| Training | **7,935** | 9,179 |
| Other employee expenses | **6,123** | 13,395 |
| Increase/(decrease) in employee entitlements/liabilities | **(20,096)** | 24,412 |
| **Total personnel expenses** | **736,448** | **634,753** |

| ***Employee staffing levels*** | 2026 | 2025 |
|---|---|---|
| Full-time equivalent salaried employees | **7** | 7 |
| **Total Full Time Equivalent** | **7** | **7** |
| **Total number of staff** | **7** | **7** |

| ***The number of employees earning over $100,000 per annum*** | 2026 | 2025 |
|---|---|---|
| **Salary range** | | |
| $200,000 - $209,999 | **1** | |
| $190,000 - $199,999 | | 1 |
| **Total Full Time Equivalent** | **1** | **1** |
| **Total number of staff** | **1** | **1** |

Total remuneration includes any non-financial benefits provided to employees. A full-time employee is determined on the basis of a 40-hour working week.

### *Severance payments*

No severance payments were made by the Company during the year (2025: Nil).

# 5. Operating expenses

| | 2026 | 2025 |
|---|---|---|
| Auditors' fees - Audit New Zealand on behalf of the Auditor General | | |
| - for auditing the financial statements and service performance - current year | **39,912** | 34,546 |
| - additional fee for auditing the financial statements and service performance - prior year | **-** | 7,493 |
| Directors' fees | **78,456** | 61,868 |
| Electricity | **59,995** | 65,543 |
| Insurance | **317,962** | 323,552 |
| Operational contracts | **10,976** | 3,801 |
| Equipment purchases | **28,314** | 37,985 |
| Legal expenses | **22,696** | 29,512 |
| Specialist services | **116,654** | 72,406 |
| Shared services cost | **127,268** | 124,772 |
| Promotion expenses | **14,632** | 6,749 |
| Bad debts written off | **36,945** | 8,891 |
| Printing and stationery | **2,954** | 3,292 |
| Maintenance | **165,597** | 159,939 |
| Rates and water charges | **240,607** | 206,083 |
| Breakwater rental | **131,127** | 127,319 |
| Waste management | **144,890** | 146,549 |
| Security and monitoring | **171,863** | 168,626 |
| Other expenses | **115,413** | 105,664 |
| **Total operating expenses** | **1,826,261** | **1,694,590** |

# 6. Taxation

## Accounting policy

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 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 the 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.

**Components of tax expense**

| | 2026 | 2025 |
|---|---|---|
| Current tax | - | - |
| Current tax expense (prior period) | 34,160 | (199) |
| Deferred tax expense prior period | - | (116) |
| Deferred tax expense (current year) | (12,740) | 7,165 |
| **Tax expense / (benefit)** | **21,420** | **6,850** |

**Relationship between tax expenses and accounting**

| | 2026 | 2025 |
|---|---|---|
| **Net Surplus / (Deficit) before tax** | 92,701 | 399,489 |
| Tax at 28% | 25,956 | 111,857 |
| **Plus (less) tax effect of:** | | |
| Non-deductible expenditure | 1,300 | (2,651) |
| Prior period adjustment | 34,160 | (315) |
| Imputation credit adjustment | - | - |
| Removal of tax depreciation on buildings | - | - |
| Tax losses not recognised | - | - |
| Group loss offset | (51,896) | (105,921) |
| Deferred tax adjustment and other permanent adjustments | 11,900 | 3,880 |
| **Tax expense / (benefit)** | **21,420** | **6,850** |

| | Property, Plant & Equipment | Employee Entitlements | Other Provisions | Tax Losses | Total |
|---|---|---|---|---|---|
| **Balance at 30 June 2024** | **(1,162,001)** | **17,123** | **19,107** | **-** | **(1,125,771)** |
| Charged to surplus or deficit | 2,895 | 6,720 | (16,780) | - | (7,165) |
| Charged to other comprehensive income | - | - | - | - | - |
| **Balance at 30 June 2025** | **(1,159,106)** | **23,843** | **2,327** | **-** | **(1,132,936)** |
| Charged to surplus or deficit | 16,358 | (6,303) | 2,685 | | 12,740 |
| Charged to other comprehensive income | 95,761 | - | - | - | 95,761 |
| **Balance at 30 June 2026** | **(1,046,987)** | **17,540** | **5,012** | **-** | **(1,024,435)** |

It is expected that the taxable income of Seaview for the current year will be eliminated by tax losses of $185,343 (2025: $378,243) transferred from UPL Development Limited by loss offset.

# 7. Cash and cash equivalents

## Accounting policy

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.

The carrying value of cash at the bank and term deposits with maturities of less than three months approximates their fair value. The Company does not hold funds (including cash or cash equivalents) with restrictions specifying how the funds are to be spent.

| | 2026 | 2025 |
|---|---|---|
| Cash at bank and on hand | **31,453** | 23,793 |
| Cash on call | **1,622,000** | 1,319,000 |
| **Cash and cash equivalents** | **1,653,453** | **1,342,793** |

# 8. Debtors and other receivables

## Accounting policy

Debtors and other receivables are recorded at the amount due, less an allowance for expected credit losses.

| | 2026 | 2025 |
|---|---|---|
| Rent receivable | **157,906** | **332,961** |
| Other receivables | **6,502** | 41,576 |
| **Gross debtors and other receivables** | **164,408** | **374,537** |
| Less allowance for credit losses | **(18,624)** | (5,728) |
| **Total debtors and other receivables** | **145,784** | **368,809** |

### *Fair value*

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

### *Expected credit losses*

The expected credit losses have been calculated based on expected losses for the Company's pool of debtors. Expected losses have been determined based on an analysis of the Company's losses in previous periods, current economic conditions, and a review of specific debtors as detailed below:

| | 2026 | 2025 |
|---|---|---|
| Individual impairment | **18,624** | **5,728** |
| **Total expected credit losses** | **18,624** | **5,728** |

| | 2026 | 2025 |
|---|---|---|
| **At 1 July** | **5,728** | **67,546** |
| Additional provisions made during the year | **18,624** | 5,728 |
| Provisions reversed during the year | **-** | (9,194) |
| Receivables written-off during the period | **(5,728)** | (58,352) |
| **At 30 June** | **18,624** | **5,728** |

The entity holds security over certain overdue receivables in the form of liens over vessels, vessels in possession and a deed of acknowledgement secured against residential property. These security arrangements are considered when assessing expected credit losses.

# 9. Payables and deferred revenue

## Accounting Policy

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

| | 2026 | 2025 |
|---|---|---|
| Deposits and bonds | **24,282** | 1,770 |
| Trade payables and accrued expenses | **121,429** | 136,194 |
| Accrued salary | **20,271** | 14,600 |
| Rentals in advance | **56,594** | 216,710 |
| **Total payables and deferred revenue under exchange transactions** | **222,576** | **369,274** |

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

All creditors and other payables are classified as exchange transactions.

# 10. Borrowings

## Accounting Policy

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs.

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.

| | 2026 | 2025 |
|---|---|---|
| **Current portion** | | |
| Loans from related parties | - | - |
| **Total current portion** | - | - |
| | | |
| **Non-current portion** | | |
| Loans from related parties | 2,700,000 | 2,700,000 |
| **Total non-current portion** | 2,700,000 | 2,700,000 |
| **Total borrowings** | 2,700,000 | 2,700,000 |

No securities are held over the borrowings

# 11. Property, Plant and Equipment

## Accounting policy

### *Property, Plant and Equipment*

Land is measured at fair value, and buildings include site improvements, which 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 has been capitalised. Expenditure of less than $1,000 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 the Company and the cost of the item can be measured reliably.

Assets under construction are recognised at cost less impairment and are 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 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:

| Estimated economic life | Years | Rate |
|---|---|---|
| Buildings | 5 - 50 | 2% - 25% |
| Site improvements | 16 | 7.14% |
| Piers and marina berths | 3 – 80 | 1.25% - 33.33% |
| Plant and equipment | 1.5 – 80 | 1.25% - 67% |
| Vehicles | 5 | 20% |

The residual value and useful life of an asset are reviewed and adjusted if applicable at each financial year end. In respect of revalued assets, the useful life is adjusted to a rate recommended by the independent valuer as at the date of the revaluation.

## PROPERTY, PLANT AND EQUIPMENT

Movements for each class of property, plant and equipment are presented in the table below:

| 2026 | Balance at 1 July 2025 | | | Movements during the year | | | | | | | | Balance at 30 June 2026 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Cost / Valuation | Accumulated depreciation & impairment | Carrying Amount | Additions | Category adjustments to cost | Disposals | Depreciation | Depreciation on Disposals | Category adjustments to depreciation | Elimination of accumulated depreciation on revalaution | Revaluation Surplus | Cost / Valuation | Accumulated depreciation | Carrying Amount |
| Land | 14,420,000 | - | 14,420,000 | - | - | - | - | - | - | - | 1,180,000 | 15,600,000 | - | 15,600,000 |
| Site improvements | 1,468,100 | (99,056) | 1,369,044 | - | - | - | (91,144) | - | - | 183,154 | (268,100) | 1,200,000 | (7,045) | 1,192,955 |
| Buildings | 3,506,980 | (111,137) | 3,395,843 | 159,406 | 235,610 | - | (108,621) | - | (58,119) | 268,920 | (525,978) | 3,376,019 | (8,957) | 3,367,062 |
| Plant and equipment | 2,323,860 | (1,070,359) | 1,253,501 | 52,293 | (235,610) | (360,142) | (120,043) | 327,235 | 58,119 | - | - | 1,780,401 | (805,048) | 975,354 |
| Vehicle | 101,037 | (87,954) | 13,083 | - | - | (29,974) | (13,084) | 29,974 | - | - | - | 71,063 | (71,064) | - |
| Piers and Marina Berths | 6,525,175 | (2,671,397) | 3,853,778 | 3,917 | - | (55,312) | (194,703) | 30,902 | - | - | - | 6,473,779 | (2,835,198) | 3,638,581 |
| **Total property, plant & equipment** | **28,345,152** | **(4,039,903)** | **24,305,249** | **215,616** | **-** | **(445,428)** | **(527,595)** | **388,111** | **-** | **452,074** | **385,922** | **28,501,262** | **(3,727,312)** | **24,773,951** |
| **2025** | **Balance at 1 July 2024** | | | **Movements during the year** | | | | | | | | **Balance at 30 June 2025** | | |
| Land | 14,420,000 | - | 14,420,000 | - | - | - | - | - | - | - | - | 14,420,000 | - | 14,420,000 |
| Site improvements | 1,460,800 | (7,484) | 1,453,316 | 7,300 | - | - | (91,572) | - | - | - | - | 1,468,100 | (99,056) | 1,369,044 |
| Buildings | 3,480,046 | (8,399) | 3,471,646 | 26,934 | - | - | (102,738) | - | - | - | - | 3,506,980 | (111,137) | 3,395,843 |
| Plant and equipment | 2,215,406 | (946,058) | 1,269,348 | 123,258 | - | (14,803) | (135,817) | 11,516 | - | - | - | 2,323,860 | (1,070,359) | 1,253,501 |
| Vehicle | 101,037 | (73,741) | 27,296 | - | - | - | (14,213) | - | - | - | - | 101,037 | (87,954) | 13,083 |
| Piers and Marina Berths | 6,468,779 | (2,474,119) | 3,994,660 | 57,834 | - | (1,438) | (198,482) | 1,204 | - | - | - | 6,525,175 | (2,671,397) | 3,853,778 |
| **Total property, plant & equipment** | **28,146,068** | **(3,509,803)** | **24,636,266** | **215,326** | **-** | **(16,241)** | **(542,822)** | **12,720** | **-** | **-** | **-** | **28,345,152** | **(4,039,903)** | **24,305,249** |

No class of property, plant and equipment is pledged as security for liabilities, and there are no restrictions on the title of the Company's property, plant and equipment.

Land, buildings and site improvements are measured at fair value based on an independent valuation undertaken by Peter Erceg and Chris McCashin (MPINZ) of Aon Risk Solutions, effective as at 31 May 2026.

Different valuation techniques were applied according to the nature of the assets:

- Land was valued using the market approach, with reference to comparable sales evidence. As there were no directly comparable sales for a large integrated marina property, significant professional judgement was applied in determining the land value. Market benchmarks were adjusted to reflect the size of the site, its waterfront marina configuration, planning and consent restrictions, specialised marina infrastructure, limited alternative use and reduced marketability.

The highest and best use of the land was assessed as its existing marina use, resulting in an increase in the land valuation of $1.18M.

- The Wellington Marine Centre was valued using the income approach (capitalisation of income), whereby market-derived capitalisation rates were applied to the sustainable income expected to be generated by the property. The application of market rental evidence and capitalisation rates resulted in a decrease in value of $138,540.
- All other buildings and site improvements were valued using the cost approach (depreciated replacement cost), reflecting the current replacement cost of the assets less depreciation for physical deterioration, age and condition. This resulted in decreases in value of $118,518 for buildings and $84,946 for site improvements.

The valuation of land required significant professional judgement due to the absence of directly comparable sales for a large integrated marina property. The valuation of the Wellington Marine Centre and other buildings and site improvements also required estimates relating to market income, capitalisation rates, replacement costs, asset condition and remaining useful lives.

# 12. Assets Under Construction

## Accounting policy

Assets under construction are recognised at cost less impairment and are not depreciated.

Property, plant and equipment yet to be commissioned or under construction by class of asset is detailed below:

| | 2026 | 2025 |
|---|---|---|
| Plant and equipment | 934 | 2,001 |
| Piers and marina berths | 288,658 | 997 |
| **Total assets under construction** | **289,592** | **2,998** |

# 13. Equity

## Accounting Policy

Equity is HCC's interest in the Company and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- Accumulated funds.
- Property revaluation reserve; and
- Fair value through other comprehensive revenue and expense reserve.

### *Asset Revaluation Reserve*

The asset revaluation reserve relates to the revaluation of the Company's land, buildings and site improvements to fair value. This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

### *Fair Value Through Other Comprehensive Revenue and Expense Reserve*

This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

| | 2026 | 2025 |
|---|---|---|
| **Accumulated funds** | | |
| Balance at beginning of the year | **(13,998,829)** | (14,291,468) |
| Net surplus/(deficit) after tax | **71,281** | 392,639 |
| Less dividends paid | **-** | (100,000) |
| **Balance at end of the year** | **(13,927,548)** | **(13,998,829)** |

| | 2026 | 2025 |
|---|---|---|
| **Share capital** | | |
| Balance at beginning of the year | **21,281,903** | 21,281,903 |
| Movements during the year | **-** | - |
| **Balance at end of the year** | **21,281,903** | **21,281,903** |

| | 2026 | 2025 |
|---|---|---|
| **Asset revaluation reserve** | | |
| Balance at beginning of the year | **14,814,337** | 14,814,337 |
| Movements during the year from revaluation | 933,757 | - |
| **Balance at end of the year** | **15,748,094** | **14,814,337** |

| | 2026 | 2025 |
|---|---|---|
| **Asset revaluation reserve consists of:** | | |
| Buildings | **302,756** | 464,053 |
| Site improvements | **292,497** | 377,443 |
| Land | **15,152,841** | 13,972,841 |
| **Balance at end of the year** | **15,748,094** | **14,814,337** |

| | 2026 | 2025 |
|---|---|---|
| **Total equity** | | |
| Balance at beginning of the year | **22,097,411** | 21,804,772 |
| Movements during the year | **1,005,038** | 292,639 |
| **Balance at end of the year** | **23,102,449** | **22,097,411** |

As at 30 June 2026, the Company had 6,000,000 ordinary shares on issue, all of which are fully paid. Ordinary shares have a face value of $3.55 per share. No shares were outstanding at the beginning or the end of the year. No rights, preferences or restrictions attached to the shares. The shares in the Company are held by the controlling entity HCC. No shares are reserved for issuance under options and sales contracts.

| **Registered holders of equity shares as at 30 June:** | | **2026** | | **2025** |
|---|---|---|---|---|
| Hutt City Council | **6,000,000.00** | **100%** | 6,000,000.00 | 100% |

# 14. Financial Instruments

## Accounting policy – financial assets and liabilities

The financial assets and financial liabilities are recognised when the company become a party to the contractual provisions of the instrument and are measured at amortised cost (except for financial instruments measured at fair value through profit or loss).

***Financial assets at amortised cost***

Financial assets are measured at amortised cost.

***Impairment of financial assets***

The company recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

The carrying amounts of financial assets and liabilities in each of the financial instrument's categories are as follows:

| | 2026 | 2025 |
|---|---|---|
| **Financial Assets** | | |
| *Financial assets at amortised cost* | | |
| Cash and cash equivalents | **1,653,453** | 1,342,793 |
| Debtors and other receivables | **145,784** | 368,810 |
| Related parties receivables | **-** | 34,411 |
| **Total financial assets at amortised cost** | **1,799,237** | **1,746,014** |
| **Financial Liabilities** | | |
| *Financial liabilities at amortised cost* | | |
| Borrowings | **2,700,000** | 2,700,000 |
| Advances to related parties | **47,981** | - |
| Trade and other payables | **222,576** | 369,274 |
| **Total financial liabilities at amortised cost** | **2,970,557** | **3,069,274** |

### a) *Financial risk management objectives*

The company is party to financial instruments as part of its everyday operations. These include instruments such as bank balances, accounts receivable, accounts payable and term loans. The company has policies providing for risk management for interest rates and the concentration of credit.

### b) *Credit risk*

Credit risk is the risk that a third party will default on its obligations to the company, causing the company to incur a loss. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the company's maximum exposure to credit risk, without taking account of the value of any collateral obtained. The company manages this risk by depositing its cash and cash equivalents with high quality financial institutions and by carrying out credit checks on all new customers.

### c) *Foreign currency risk management*

The company has no exposure to foreign currency risk as a result of transactions are all in New Zealand Dollars.

### d) *Market risk*

Management considers the market risks faced by the company to be limited to those risks disclosed above credit risk, liquidity risk and interest risk.

### e) *Interest rate risk and management*

The interest rate risk is the risk that the value of a financial instrument will fluctuate due to the changes in market interest rates. This could particularly impact on the cost of borrowings; however, the company borrowings are on a fixed rate.

### f) *Liquidity risk*

Liquidity risk represents the risk that the company may not be able to meet its financial contractual obligations. Ultimate responsibility for liquidity risk management rests with the Directors, who have built an appropriate liquidity risk management framework for the management of the company's short, medium and long-term funding and liquidity requirements. The company manages liquidity risk by maintaining adequate reserves and banking facilities, and by continuously monitoring forecast and actual cash flows.

All current payables are paid within 6-month timeframe.

## 15. Key management personnel

Key management personnel consist of the Chief Executive and Board members.

| **Senior Management Remuneration** | **2026** | **2025** |
|---|---|---|
| Salary and other short term benefits | 195,712 | 189,324 |
| Post -employment benefits | 7,557 | 5,680 |
| **Total key management personnel costs** | **203,269** | **195,004** |
| **Full-time equivalent members** | **1** | **1** |

| **Remuneration of Board Members** | **2026** | **2025** |
|---|---|---|
| P Steel (New Chair, from 1 July 2021) | **20,066** | 20,119 |
| P Bell (ended 30 June 2025) | | 13,412 |
| R Wells (appointed 26 March 2021) | **13,376** | 13,376 |
| T Lewis (appointed November 2022) | **13,292** | 14,960 |
| S Rusholme (appointed 1 July 2025) | **15,000** | |
| K Nixon (appointed 1 July 2025) | **15,000** | |
| **Total remuneration** | **76,734** | **61,867** |
| **Number of Board members** | **5** | **4** |

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.

## 16. Related Party Disclosures

Related party disclosures have been made for transactions with related parties:

| | **2026** | **2025** |
|---|---|---|
| Payment of support costs to Hutt City Council | **127,268** | 124,772 |
| Payment of dividend to Hutt City Council | **-** | 100,000 |
| Payment of lease to Hutt City Council | **131,127** | 127,319 |
| Payment of interest to Hutt City Council | **170,910** | 170,910 |
| Urban Plus Development Limited via tax losses offset | **185,343** | 378,388 |

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

| Payables (purchase of goods and services) | 2026 | 2025 |
|---|---|---|
| ***Current payables*** | | |
| Advances from Hutt City Council | **47,981** | - |
| | | |
| ***Non current payables*** | | |
| Borrowings from Hutt City Council | **2,700,000** | 2,700,000 |
| | | |
| ***Current receivables*** | | |
| Advances to Hutt City Council | **-** | 34,411 |

The company is 100% owned by the Hutt City Council.

For detailed information on related party transactions with key management personnel, please refer to note 19.

# 17. Capital Commitments

## Capital Commitments

As at 30 June 2026 the Company has $372,994.14 in commitments for capital expenditure relating to the refurbishment of E pier (2025: $Nil).

# 18. Operating Leases

### Operating Leases as Lessor

## Accounting Policy

### *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 revenue from operating leases is recognised as revenue on a straight-line basis over the lease term.

### *Finance Leases*

The Company has not entered any finance leases.

The units within the Wellington Marine Centre are leased under operating leases. Most leases have a non-cancellable term of 36 months, some with rights of renewal. The future aggregate minimum lease payments to be collected under non-cancellable leases are as follows:

| | 2026 | 2025 |
|---|---|---|
| Not later than one year | **358,919** | 298,220 |
| Later than one year and not later than five years | **330,032** | 364,698 |
| Later than five years | **-** | - |
| **Total non-cancellable operating leases** | **688,951** | **662,918** |

## 19. Contingencies

### Contingent Assets

As at 30 June 2026 the Company had no contingent assets (2025: $Nil).

### Contingent Liabilities

As at 30 June 2026 the Company had no contingent liabilities (2025: $Nil).

## 20. Explanation of Major Variances Against Budget

The Company achieved a surplus before tax of $93k for the year ended 30 June 2026 (2025: $399k), which was $55k below budget.

#### *Revenue*

Total revenue of $3.67m was $195k below budget and $78k lower than the previous financial year. The unfavourable variance was primarily driven by lower-than-expected berth and trailer occupancy resulting from challenging economic conditions, together with lower diesel sales resulting from reduced sales volumes following price increases arising from the global conflict in the Middle East. This was partially offset by stronger-than-expected revenue from the marine centre and hardstand.

#### *Expenses*

Total expenses of $3.57m were $140k below budget and $228k higher than the previous financial year.

- Personnel expenses were $163k below budget due to vacancies during the year.
- Operating expenses were $157k above budget, primarily due to repairs and maintenance costs exceeding budget by $40k as a result of storm damage, together with other operating expenses exceeding budget by $110k, mainly attributable to district plan submissions and costs associated with the disposal of unclaimed vessels.
- Product cost of sales was $42k below budget due to lower sales volumes during the year.
- Finance expenses were $113k below budget due to the deferral of the breakwater acquisition.
- Depreciation was $37k below budget due to the deferral of the breakwater acquisition and pier refurbishment projects.

### *Statement of Financial Position*

- Cash and cash equivalents were higher than budget mainly due to the pier refurbishment project being delayed by five months and the breakwater acquisition being deferred to the 2027/28 financial year.
- Debtors and other receivables were lower than budget due to lower-than-expected revenue during the year, together with a higher expected credit loss allowance than budgeted.
- Property, plant and equipment was lower than budget due to the deferral of the breakwater acquisition and pier refurbishment projects, partially offset by an upward revaluation of assets during the year.
- Borrowings were lower than budget as the deferral of the breakwater acquisition meant that additional borrowings were not required

### *Statement of Cash Flows*

The Company continued to maintain a positive cash flow during the year.

- Net cash flows from operating activities were higher than budget, primarily due to lower payments to employees resulting from vacancies during the year, lower interest payments due to the deferral of loan drawdowns, and the non-payment of a dividend.
- Net cash flows from investing activities were lower than budget due to the deferral of the breakwater acquisition and pier refurbishment projects.

## 21. Events After Balance Date

There have been no significant events after balance date (2025:  No significant event after balance date).

# Disclosures

## Directors' changes during the year ended 30 June 2026

Sarah Rusholme and Kit Nixon were appointed as directors on 1 July 2025.

## Directors' interests

| Director | Entity | Position |
|---|---|---|
| **Peter Steel** | Thorndon Residents Association | Member |
| **Tui Lewis** | E Tū Awakairangi Hutt Public Art Trust<br>Torere Paerata Trust<br>Rotary Club of Petone<br>Hutt City Council | Trustee<br>Trustee<br>Member<br>Councillor |
| **Richard Wells** | Bay of Many Coves Ratepayers & Residents Association<br>Formway Furniture Limited<br>Noho Limited | Chair<br>Director<br>Independent Director |
| **Kit Nixon** | Wellington Culinary Events | Director/Trustee |
| **Sarah Rusholme** | Cater Observatory<br>Okiwi Eastbourne-Bays Community Trust<br>Te Manawa<br>The Little Miracles Trust | Trustee<br>Trustee<br>Trustee<br>CEO |

## Director appointment dates

The date of each Director's first appointment to the position of Director is provided below.

| Director | Appointment date |
|---|---:|
| Peter Steel | 1 April 2017 |
| Tui Lewis | November 2022 |
| Richard Wells | 16 March 2021 |
| Kit Nixon | 1 July 2025 |
| Sarah Rusholme | 1 July 2025 |

# Company information

## Registered Office

100 Port Road
Seaview
Lower Hutt 5010

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Petone 5012
Phone: +64 (4) 568 3736
Phone: +64 (4) 568 3736

## Directors

Peter Steel
Tui Lewis
Rick Wells
Kit Nixon
Sarah Rusholme

## Chief Executive

Tim Lidgard

## Auditor

The Audit Office

## Banker

Westpac New Zealand Limited

## Solicitor

Thomas Dewar Sziranyi Letts