SEAVIEW MARINA LIMITED

STATEMENT OF INTENT 2025/26 TO 2027/28

Contents

Vision

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

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.

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 budgeted for fixed dollar dividend payments in 2024/25 and the following years, however, this remains subject to the Directors determining whether financial projections are shown to be sustainable. This is in line with the company's dividend policy approved by Council on June 30th, 2023.

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 0.7%, 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
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

Specific objectives for the year ending 30 June 2026

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

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

The Council supports a process of design and consultation for in-water infrastructure and further development, which will cater to present and future demand. However, large-scale in-water construction contracts should be delayed until funding requirements for the complete refurbishment programme of the Company's oldest piers are agreed upon by the Council.

On-land

The Council understand the increased demand the Company is seeing for leased commercial spaces. The Company will engage with the Council, stakeholders (and community partners) to continue the formation of an on-land, long-term 'masterplan.' To facilitate public benefit, site development, and to realise the Company's vision and mission, the Council expects the Company 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. The Company's Board developed a Dividend Policy in April 2023. Which is to be updated in light of planned borrowings, to include a dividend of $100k per annum.

Noting the significant cost escalations, the Company will continue to implement cost reduction strategies where appropriate, including exploring discounts with suppliers.

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. The Council was pleased to see the Company maintain the Clean Marina Programme accreditation in 2025/2026. The Council expects the Company to reinforce its commitment to this programme and understands that continual improvement through work and investment is required to retain this accreditation.

Living wage

The Council became a 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 the Council's procured contracts for services. The Council expects that the Company will support and promote the Living Wage. The Company 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, the Council requests that the Company continue to promote the implementation of the Living Wage among the commercial tenants operating within the Company. The Council expects the Company to encourage leaseholder commitment to paying a Living Wage by actively engaging with leaseholders to emphasise the benefits to employees and business.

Climate change

The Council has cited the need to prioritise reducing city-wide emissions to net zero carbon, including the need to halve our operational emissions by 2030. The Council expects that the Company 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 the Company. There are three areas of action for the Company to consider:

1. To replace fuel-powered vehicles, equipment, and plants with electric-powered equivalents when due for replacement, provided equivalents are commercially viable
2. 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, the Company will engage with the Council to develop an understanding of the Tupua Horo 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

The Company should continue to support and develop relationships with ferry operators both locally and nationally, 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 the Company is a small team, the Company's work programme should create local training opportunities and support local employment, wherever possible. The Company will use more specialised training programmes, such as the Marina Training Institute, to provide career pathways for staff.

Performance measures

Key performance indicators	2025/26	2026/27	2027/28	Reporting frequency
Financial				
Deliver the total annual budgeted income.	Achieve 100% of the total budgeted income	Achieve 100% of the total budgeted income	Achieve 100% of the total budgeted income	Six monthly
Deliver the total annual budgeted net surplus	Net surplus within budget	Net surplus within budget	Net surplus within budget	Six monthly
Achieve a prescribed rate of ROE before tax and dividends[1]	0.7%	0.5%	0.7%	Annually
Manage Capital Expenditure[2]	Complete within the capital budget	Complete within the capital budget	Complete within the capital budget	Annually

Key performance indicators	2025/26	2026/27	2027/28	Reporting frequency
Relationship and communication				
Client Service & Customer Needs		85% satisfaction in the biennial survey		Biennially
Special interest messages	Complete four messages per annum	Complete four messages per annum	Complete four messages per annum	Four per annum
Meet all shareholder reporting deadlines	See Section 11	See Section 11	See Section 11	See section 11
Risk management and human resources				
Notifiable health and safety incidents	None	None	None	Bi-Monthly
Staff Satisfaction	Achieve 85% staff satisfaction	Achieve 85% staff satisfaction	Achieve 85% staff satisfaction	Annually
Marketing				
Subject to economic conditions prevailing, implement a strategy to improve occupancy rates	Berth occupancy equal to or greater than 83%	Berth occupancy equal to or greater than 86%	Berth occupancy equal to or greater than 86%	Bi-Monthly
Non-financial				
To provide financial or non-financial support to at least three charitable	Support for at least three organisations	Support for at least three organisations	Support for at least three organisations	Annually

(non-profit) ventures with a marine focus during any given financial year				
Public benefit	Perform a survey of public opinion on marina facilities (during the third quarter)		Perform a survey of public opinion on marina facilities (during the third quarter)	Bi-Annually
Environmental				
Reduce direct emissions by 50% by 2030 and achieve net zero emissions by 2050: targets to be updated following initial analysis.	Using 2024/2025 analysis, identify the emission sources, and complete a 5-year plan for a 50% emissions reduction.	Implement quick, low-cost, and effective changes while planning continues for major upgrades. Finalise 3-year emission reduction targets	Achieve set targets going forward	Annual footprint report provided by the Council and/or other
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.	Equipment or vehicles utilising fossil fuels are to be phased out by equipment or vehicles that are electric or utilise another low-carbon alternative.	Equipment or vehicles utilising fossil fuels are to be phased out by equipment or vehicles that are electric or utilise another low-carbon alternative.	Annually

Notes on performance measures

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

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 2025	Budget 2026	Plan 2027	Plan 2028
Total revenue	3,680,750	**3,861,266**	3,975,774	4,133,452
Total expenses	3,369,722	**3,713,562**	3,871,916	3,980,748
Surplus before tax and dividend	**311,028**	**147,704**	**103,858**	**152,704**
Total assets	26,204,662	**29,563,279**	30,520,780	30,535,403
Total liabilities	4,275,950	**7,630,220**	8,617,943	8,631,620
Total equity	**21,928,712**	**21,933,059**	**21,902,837**	**21,903,784**
Return on equity [1]	**1.4%**	**0.7%**	**0.5%**	**0.7%**

[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 2025	Budget 2026	Plan 2027	Plan 2028
Miscellaneous capital	300,255	**263,920**	253,000	238,000
Pier Refurbishment Pile Sleeving	157,831	-	-	-
Breakwater	-	**3,400,000**	-	-
Pier E refurbishment	-	**750,000**	-	-
Pier A refurbishment	-	-	817,500	-
Pier B refurbishment	-	-	-	891,075
Total capital expenditure	**458,085**	**4,413,920**	**1,070,500**	**1,129,075**

Financial Statements

Prospective Statement of Comprehensive Revenue and Expenses

For the year ended 30 June

	Forecast 2025	Budget 2026	Plan 2027	Plan 2028
REVENUE				
Rental revenue	3,145,948	**3,331,044**	3,453,045	3,582,934
Other user charges	166,580	**163,509**	167,571	171,738
Interest revenue	36,812	**28,978**	6,231	18,925
Product sales	306,013	**316,417**	326,543	336,351
Other revenue	25,398	**21,319**	22,385	23,504
Total revenue	**3,680,750**	**3,861,266**	**3,975,774**	**4,133,452**
EXPENSES				
Employee expenses	651,908	**899,668**	919,955	954,032
Operating expenses	1,731,330	**1,668,214**	1,665,429	1,641,237
Finance expenses	170,910	**284,461**	360,753	408,250
Product cost of sales	285,944	**295,666**	305,127	314,293
Depreciation	529,631	**565,554**	620,651	662,936
Total expenses	**3,369,722**	**3,713,562**	**3,871,916**	**3,980,748**
Surplus before tax	**311,028**	**147,704**	**103,858**	**152,704**
Income tax expense	87,088	**41,357**	29,080	42,757
Surplus after tax	**223,940**	**106,347**	**74,778**	**109,947**
Total Comprehensive Revenue and Expenses	**223,940**	**106,347**	**74,778**	**109,947**

Prospective Statement of Changes in Equity

For the year ended 30 June

	Forecast 2025	Budget 2026	Plan 2027	Plan 2028
Balance at 1 July	21,804,771	**21,928,711**	21,933,058	21,902,836
Total comprehensive revenue and expenses for the year	223,940	**106,347**	74,778	109,947
Dividend - Hutt City Council [1]	(100,000)	**(102,000)**	(105,000)	(109,000)
Balance at 30 June	**21,928,711**	**21,933,058**	**21,902,836**	**21,903,783**

Prospective Statement of Financial Position

For the year ended 30 June

	Forecast 2025	Budget 2026	Plan 2027	Plan 2028
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	991,940	**493,608**	992,956	533,487
Debtors and other receivables	364,486	**364,486**	364,486	364,486
Prepayments	268,204	**276,786**	285,090	293,044
Inventory	14,355	**14,355**	14,355	14,355
Total current assets	**1,638,985**	**1,149,235**	**1,656,887**	**1,205,372**
NON-CURRENT ASSETS				
Property, plant and equipment at cost	28,247,270	**31,647,270**	31,647,270	31,647,270
Property, plant and equipment accumulated depreciation	(4,039,371)	**(4,604,924)**	(5,225,575)	(5,888,512)
Intangible assets	5,761	**5,761**	5,761	5,761
Intangible asset accumulated depreciation	(4,866)	**(4,866)**	(4,866)	(4,866)
Assets under construction	356,883	**1,370,803**	2,441,303	3,570,378
Total non-current assets	**24,565,677**	**28,414,044**	**28,863,893**	**29,330,031**
TOTAL ASSETS	**26,204,662**	**29,563,279**	**30,520,780**	**30,535,403**
LIABILITIES				
CURRENT LIABILITIES				
Payables and deferred revenue	289,239	**289,239**	289,239	289,239
Employee entitlements	95,311	**95,311**	95,311	95,311
Advances from related parties	53,129	**53,129**	53,129	53,129
Current tax liability	12,384	**(33,347)**	(45,624)	(31,947)
Total current liabilities	**450,063**	**404,333**	**392,056**	**405,733**
NON-CURRENT LIABILITIES				
Deferred tax liability	1,125,887	**1,125,887**	1,125,887	1,125,887
Borrowings	2,700,000	**6,100,000**	7,100,000	7,100,000
Total non-current liabilities	**3,825,887**	**7,225,887**	**8,225,887**	**8,225,887**
TOTAL LIABILITIES	**4,275,950**	**7,630,220**	**8,617,943**	**8,631,620**
Net assets (assets minus liabilities)	**21,928,712**	**21,933,059**	**21,902,837**	**21,903,784**
Equity				
Accumulated funds	(14,167,529)	**(14,163,182)**	(14,193,404)	(14,192,457)
Share capital	21,281,903	**21,281,903**	21,281,903	21,281,903
Revaluation reserve	14,814,337	**14,814,337**	14,814,337	14,814,337
Total equity attributable to Seaview Marina Limited	**21,928,711**	**21,933,058**	**21,902,836**	**21,903,783**

Equity Value of the shareholders' investment

The estimated net value of the shareholder's investment in the company on 30 June 2025 will be $21.92m and $21.93m on 30 June 26.

Prospective Statement of Cash Flows

For the year ended 30 June

	Forecast 2025	Budget 2026	Plan 2027	Plan 2028
CASH FLOW FROM OPERATING ACTIVITIES				
Cash was provided from:				
Receipts from rentals	3,250,707	3,344,124	3,466,517	3,596,811
Interest received	36,921	28,978	6,231	18,925
Receipts from user charges and other revenue	480,513	488,165	503,026	517,717
	3,768,141	3,861,266	3,975,774	4,133,452
Cash was applied to:				
Payments to employees	(743,737)	(899,668)	(919,955)	(954,032)
Payments to suppliers	(1,996,501)	(1,972,462)	(1,978,860)	(1,963,484)
Dividend payments	(100,000)	(102,000)	(105,000)	(109,000)
Interest paid	(170,761)	(284,461)	(360,753)	(408,250)
Tax paid	(74,704)	(87,088)	(41,357)	(29,080)
	(3,085,702)	(3,345,678)	(3,405,926)	(3,463,846)
Net cash flows from operating activities	682,439	515,588	569,849	669,606
CASH FLOW FROM INVESTING ACTIVITIES				
Cash was provided from:				
Sale of assets held for sale	-	-	-	-
	-	-	-	-
Cash was applied to:				
Purchase of property, plant and equipment	-	(3,400,000)	-	-
Purchase of assets under construction	(360,666)	(1,013,920)	(1,070,500)	(1,129,075)
	(360,666)	(4,413,920)	(1,070,500)	(1,129,075)
Net cash flows from investing activities	(360,666)	(4,413,920)	(1,070,500)	(1,129,075)
CASH FLOW FROM FINANCING ACTIVITIES				
Cash was provided from:				
Proceeds from borrowings - Hutt City Council	50,118	3,400,000	1,000,000	-
	50,118	3,400,000	1,000,000	-
Cash was applied to:				
Repayment of borrowings - Hutt City Council	-	-	-	-
	-	-	-	-
Net cash flows from financing activities	50,118	3,400,000	1,000,000	-
Net increase/(decrease) in cash, cash equivalents and bank overdrafts	371,891	(498,332)	499,349	(459,469)
Cash, cash equivalents and bank overdrafts at the beginning of the year	620,049	991,940	493,608	992,956
Cash, cash equivalents and bank overdrafts at the end of the year	991,940	493,608	992,956	533,487

Accumulated profits and capital reserves

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

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.

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.

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.

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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.

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 $30,000,000, it has elected to apply Tier 2 PBE accounting standards.

Measurement base

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. The financial statements have been prepared on a historical cost basis. Functional and presentation currency. The financial statements are presented in New Zealand dollars, and all values have been rounded to the nearest dollar. The functional currency of the Company is New Zealand dollars.

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 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 costless 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.

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

Directors

Peter Steel
Tui Lewis
Pamela Bell
Rick Wells

Chief Executive

Tim Lidgard

Auditor

Audit New Zealand

Banker

Westpac New Zealand Limited

Solicitor

Thomas Dewar Sziranyi Letts