seaviewmarina

ANNUAL REPORT

FOR THE YEAR ENDED **30 JUNE 2014**









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CHAIRMAN'S REPORT
FOR THE YEAR ENDED 30 JUNE 2014

The 2013/2014 Financial Year proved to be a challenge, as just before the start of the financial year (on 20 June 2014), a one in fifty year southerly storm caused considerable damage within the marina. The storm had a significant impact on the operation and financial performance of the marina. While the marina was insured for the damage to Piers E and G, as well the damage to Jacaranda (the 16m yacht blown over in the storm), there were significant unbudgeted costs incurred, including the upgrade of all the hardstand cradles.

The Company reported a surplus of $209,571 for the year reflecting a 41.2% shortfall on the budgeted surplus of $356,150. Total revenue amounted to $2,003,925, which was down 3% on the budgeted revenue but was 1% greater than the previous year's income. Revenue from the boat storage business reflected an improvement of 4% over the previous year and was on budget for the current year. Steady occupancy rates for both marina berths and trailer parks assisted in achieving this result.

The hardstand operation was disappointing with much lower activity experienced compared with the previous year, resulting in income only reaching 75% of the budgeted income. Diesel sales were also disappointing due entirely to the loss one of the marina's commercial operators securing supply elsewhere.

The Sea Centre lost one of its larger tenants at the end of their lease term. While this impacted on the budgeted income the marina was able to purchase the outgoing tenants spray booth equipment at a price significantly below its installed value. This facility has now been leased out on a casual basis achieving 50% occupancy to date.

Some of our key metrics for the financial year were:

MEASURE	2014 ACHIEVED	2014 TARGET	2013 ACHIEVED	2012 ACHIEVED
Berth Occupancy	92%	94%	93%	94%
Trailer Park Occupancy	90%	94%	89%	96%
Total Revenue	$2,003,925	$2,071,300	$1,979,788	$1,795,027
Net Surplus*	$209,571	$365,150	$322,648	$135,622
Rate of Return	4.5%	5%	7.47%	3.24%

The impact of the storm and the poor performance on the hardstand resulted in the marina not achieving the budgeted profit for the year and fell short of the 5% ROE that is required in the Statement of Intent. Had the unbudgeted storm expenses not been incurred the marina would have achieved a rate of return of 5.2%.

Seaview Marina Limited repaid $200,000 off the loan for the Sea Centre which was in line with the original business case.

Capital expenditure during the year provided stage 2 of the walkway around the marina edge along with the upgrade of the old marina toilets. An additional pathway was constructed connecting the stage one pathway from the boat launching ramp to the marina office with the southern end of the central causeway. This section now provides a safe public walkway separating vehicles and pedestrians from the office to the south end of the central causeway. The old marina toilet block was completely stripped out and two new unisex shower/toilet facilities installed.

Health and Safety is now a major focus for the Board and Management with the new Health and Safety at Work Act due to come into force on 1 April 2015. The Board has taken steps to provide leadership in this important area and directed the staff to upgrade all health and safety processes and procedures.

A client service survey which was carried out in February 2013 proved successful, both for the response rate and the results. With a 69% response rate and client service rating for our service all above the 85% target it was clear our clients are happy with the marina operation. The comprehensive nature of the survey has allowed the Board and Management to also identify areas where improvements can be made.

I would like to thank my fellow directors, Arthur Stewart and Chris Milne for the contributions they have made. Finally to Alan McLellan, our Chief Executive and his team of Suzanne Willis, Mike Croft, Mark Cousins and Ali Watt, our sincere appreciation and thanks for their efforts in managing the marina in what proved to be a difficult year .To our Shareholder, Hutt City Council, our appreciation and thanks for the on-going support.

Brian Walshe
Chairman

Alan McLellan
CEO

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

INDEPENDENT AUDITORS REPORT

TO THE READERS OF SEAVIEW MARINA LIMITED'S FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014

The AuditorGeneral is the auditor of Seaview Marina Limited (the company). The AuditorGeneral has appointed me, Andy Burns, using the staff and resources of Audit New Zealand to carry out the audit of the financial statements and statement of service performance of the company on her behalf.

We have audited:

• the financial statements of the company on pages 10 to 29, that comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and

• the statement of service performance of the company on pages 30 to 33.

OPINION:

Financial statements and statement of service performance

In our opinion:

• The financial statements of the company on pages 10 to 29:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the company's:

  financial position as at 30 June 2014; and

  financial performance and cash flows for the year ended on that date.

• The statement of service performance of the company on pages 30 to 33:

- complies with generally accepted accounting practice in New Zealand; and
- gives a true and fair view of the company's service performance achievements measured against the performance targets adopted for the year ended 30 June 2014.

Other legal requirements

In accordance with the Financial Reporting Act 1993 we report that, in our opinion, proper accounting records have been kept by the company as far as appears from an examination of those records.

Our audit was completed on 30 September 2014. This is the date at which our opinion is expressed.

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

Basis of opinion

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

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the company's financial statements and statement of service performance that give a true and fair view of the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Directors;
- the adequacy of all disclosures in the financial statements and statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

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

In accordance with the Financial Reporting Act 1993, we report that we have obtained all the information and explanations we have required. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board of Directors

The Board of Directors is responsible for preparing financial statements and a statement of service performance that:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the company's financial position, financial performance and cash flows; and
- give a true and fair view of its service performance.

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

The Board of Directors' responsibilities arise from the Local Government Act 2002 and the Financial Reporting Act 1993.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 69 of the Local Government Act 2002.

Independence

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

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

Andy Burns
Audit New Zealand

On behalf of the AuditorGeneral
Wellington, New Zealand

STATEMENT OF COMPLIANCE

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

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

Brian Walshe
Chairman
30 September 2014

Arthur Stewart
Director
30 September 2014

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Note	Actual 2014	Budget 2014	Actual 2013
INCOME				
Rentals	*2*	1,669,994	1,635,601	1,673,000
Finance revenue	*3*	-	-	-
Vested assets		-	-	12,000
Other user charges		50,828	134,369	48,057
Diesel sales		154,422	293,330	239,526
Other revenue		128,681	8,000	7,205
Total revenue		**2,003,925**	**2,071,300**	**1,979,788**
EXPENDITURE				
Employee costs	*4*	329,076	287,100	288,354
Operating costs	*5*	813,544	634,200	639,919
Finance costs	*3*	139,470	159,250	141,774
Cost of diesel sales		143,913	270,000	221,804
Depreciation and amortisation	*10 & 11*	368,351	364,600	365,289
Total expenditure		**1,794,354**	**1,715,150**	**1,657,140**
Surplus before tax		**209,571**	**356,150**	**322,648**
Income tax expense	*6*	-	-	-
SURPLUS AFTER TAX		**209,571**	**356,150**	**322,648**
OTHER COMPREHENSIVE INCOME		**-**	**-**	**-**
TOTAL COMPREHENSIVE INCOME		**209,571**	**356,150**	**322,648**

Explanation of the Marina's surplus after tax

The Marina made a surplus after tax of $209,571 compared with a budgeted surplus after tax of $356,150. The operating result was $146,579 less than budget. Explanations of major variances against budget are detailed in note 27.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Actual 2014	Budget 2014	Actual 2013
Balance at 1 July	4,644,380	4,705,907	4,321,732
Total comprehensive income previously reported	209,571	356,150	322,648
Effect on accumulated funds of restatement	-	-	-
Total comprehensive income as restated	209,571	356,150	322,648
Balance at 30 June	**4,853,951**	**5,062,057**	**4,644,380**

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT ENDED 30 JUNE 2014

	Note	Actual 2014	Budget 2014	Actual 2013
EQUITY				
Accumulated funds	16	(16,427,952)	(16,219,846)	(16,637,523)
Share capital		21,281,903	21,281,903	21,281,903
TOTAL EQUITY	16	**4,853,951**	**5,062,057**	**4,644,380**
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	7	73,448	520,447	15,333
Debtors and other receivables	8	21,430	90,121	64,097
Inventories	9	11,977	1,986	6,389
Prepayments		2,601	3,730	-
Total current assets		**109,456**	**616,284**	**85,819**
NON-CURRENT ASSETS				
Property, plant and equipment		7,458,402	7,332,829	7,630,096
Intangible assets		2,584	2,600	5,637
Assets under construction		173,617	308,586	46,414
Total non-current assets		**7,634,603**	**7,644,015**	**7,682,147**
TOTAL ASSETS		**7,744,059**	**8,260,299**	**7,767,966**
CURRENT LIABILITIES				
Borrowings - current	13	120,000	300,000	150,000
Creditors and other payables	12	99,457	127,112	127,791
Employee entitlements	14	20,537	23,521	19,649
Other liabilities	15	70,114	22,609	76,147
Total current liabilities		**310,108**	**473,242**	**373,587**
NON-CURRENT LIABILITIES				
Borrowings - non current	13	2,580,000	2,725,000	2,750,000
Total non-current liabilities		**2,580,000**	**2,725,000**	**2,750,000**
TOTAL LIABILITIES		**2,890,108**	**3,198,242**	**3,123,587**
NET ASSETS	16	**4,853,951**	**5,062,057**	**4,644,379**

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

		Actual 2014	Actual 2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from rentals		1,671,598	1,670,228
Receipts from user charges and other income		333,931	294,788
Interest received		-	-
		2,005,529	**1,965,016**
Cash was applied to:			
Payments to employees		(328,188)	(292,226)
Payments to suppliers		(952,919)	(840,577)
Interest paid		(139,470)	(141,774)
		(1,420,577)	**(1,274,577)**
Net cash flows from operating activities	*17*	**584,952**	**690,439**
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Sale of assets held for sale		-	-
		-	**-**
Cash was applied to:			
Purchase of intangible assets		-	(666)
Purchase assets under construction		(127,201)	(46,414)
		(320,803)	**(385,607)**
Net cash flows from investing activities		**(320,803)**	**(385,607)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from:			
Proceeds from borrowings - Hutt City Council		-	-
		-	**-**
Cash was applied to:			
Repayment of borrowings - Hutt City Council		(206,033)	(299,732)
		(206,033)	**(299,732)**
Net cash flows from financing activities		**(206,033)**	**(299,732)**
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		58,116	5,100
Cash, cash equivalents and bank overdrafts at the beginning of the year		15,333	10,233
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE END OF THE YEAR		**73,449**	**15,333**
Cash balance at end of the year comprises:			
Cash and on call deposits		73,448	15,333
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE END OF THE YEAR		**73,448**	**15,333**

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

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

The primary objective of the Marina is the operation of a marina which benefits the community of Hutt City. The Marina is designated a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of the Marina are for the year ended 30 June 2014. The financial statements were authorised for issue by the Board of Directors on the 30 September 2014.

BASIS OF PREPARATION

Statement of compliance

These financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZIFRS, and other applicable financial reporting standards, as appropriate for public benefit entities that apply for differential reporting concessions.

Measurement base

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 Marina is New Zealand dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the Statement of Financial Performance.

The Company qualifies for differential reporting exemptions as they are not publicly accountable and there is no separation between the owners and the governing body. The Company has taken advantage of all available differential reporting exemptions except for:

- the exemption under NZIAS 7 Cash flow Statements for preparing a cashflow statement; and
- certain disclosure exemptions.

Changes in accounting polices

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

Standards, amendments, and interpretations issued that are not yet effective and have not been early adopted

Standards, amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the Company, are:

- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost of fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Company is classified as a Tier 2 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Company expects to transition to the new standards in preparing its 30 June 2015 financial statements. As the PAS are still under development, the Company is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standards Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

Comparatives

To ensure consistency with the current year, certain comparative information has been reclassified where appropriate. This has occurred:

- where classifications have changed between periods, and
- where the Company has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required.

SIGNIFICANT ACCOUNTING POLICES

Revenue

Revenue is measured at the fair value of consideration received.

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

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

Interest income is recognised using the effective interest method.

Cash and cash equivalents

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

Trade debtors and other receivables

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

Inventory

Inventory is recorded at cost on a first in – first out basis and at the lower of cost or lower of cost or net realisable value.

Property, plant and equipment

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

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 Income.

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

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

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

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

Intangible assets

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

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

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

Impairment of non-financial assets

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

Goods and services Tax

All items in the financial statements are stated exclusive of GST. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

NOTES TO THE FINANCIAL STATEMENTS

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.

Employee entitlements

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

The Marina recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that the Marina anticipates it will be used by staff to cover those future absences. The Marina recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Provisions

The Marina recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses.

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

Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowing costs

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

Income tax

Income tax for the period is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

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 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 Income.

All financial instruments are recognised in the Statement of Financial Position on the basis of the Company's accounting policies. All financial instruments disclosed on the Statement of Financial Position are recorded at fair value other than those specifically identified in the Notes to the financial statements.

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

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the reporting period in which the revision is made and in any future periods that will be affected by those provisions. Assumptions have been made for the useful lives of property, plant and equipment and intangible assets as noted above and in note 10 and 11.There have been no critical judgements made.

2. RENTAL INCOME	2014	2013
Berth and trailer park rentals	1,208,081	1,161,884
Boat lifts and hard stand rentals	136,377	180,901
SeaCentre rentals	301,198	312,554
Other rentals	24,338	17,661
Total rental income	**1,669,994**	**1,673,000**

3. FINANCE REVENUE AND FINANCE COSTS	2014	2013
Finance revenue		
Interest revenue		
- call and term deposits	-	-
- related party deposits	-	-
Total finance revenue	**-**	**-**
Finance costs		
Interest expense		
- call and term loans	-	-
- related party loans	139,470	141,774
Total finance cost	**139,470**	**141,774**
Net finance revenue/(costs)	**(139,470)**	**(141,774)**

4. EMPLOYEE COSTS	2014	2013
Salaries and wages	311,445	262,191
Employer contributions to defined contribution plans	-	5,591
Training	3,170	7,823
Other employee costs	13,573	16,621
Increase/(decrease) in employee entitlements/liabilities	888	(3,872)
Total employee costs	**329,076**	**288,354**

Employer contributions to defined contribution plans are the contributions to KiwiSaver.

NOTES TO THE FINANCIAL STATEMENTS

5. OPERATING COSTS	2014	2013
Auditors' fees for the audit of the financial statements	13,680	12,000
Impairment of receivables	925	5,322
Bad Debts Written Off	5,984	914
Directors' fees	50,000	56,250
Donations	270	100
Electricity	15,959	13,061
Equipment purchases	9,444	10,311
Insurance expenses	101,364	85,379
Maintenance	65,685	40,056
Legal services	8,232	9,170
Other specialist services	31,714	38,302
Printing and stationery	7,526	5,633
Professional services charges - Hutt City Council	26,000	23,000
Promotion expenses	14,661	22,103
Operational contracts	158,628	149,375
Vehicle costs	-	2,177
Rates and water charges - Hutt City Council	82,591	81,316
Loss on disposal of assets	-	-
Impairment of assets held for sale	-	-
Other expenses	220,882	85,450
TOTAL EXPENDITURE	**813,544**	**639,919**

6. TAXATION	2014	2013
Net surplus/(deficit) before tax	209,571	322,648
Tax at 28% (2013: 28%)	58,680	90,341
Non-deductable expenditure	-	-
Prior year adjustment	(20)	(1,189)
Tax losses not recognised	(58,680)	(89,152)
Tax expense	-	-
Current tax	-	-
	2014	2013
Imputation credits available for use in subsequent reporting periods	-	-

The company has unrecognised tax losses to carry forward of $11,788,254 (2013: $12,053,732) with a tax effect of $3,300,711 (2013: $3,375,045). The losses are available to offset against future taxable income.

7. CASH AND CASH EQUIVALENTS	2014	2013
Cash at bank and on hand	73,448	15,333
Term deposits with maturities less than three months	-	-
CASH AND CASH EQUIVALENTS	**73,448**	**15,333**

The carrying value of cash at bank and term deposits with maturities less than three months approximate their fair value.

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

	2014	2013
Cash at bank and on hand	73,448	15,333
Term deposits with maturities less than three months	-	-
Bank overdrafts	-	-
Total	**73,448**	**15,333**

8. DEBTORS AND OTHER RECEIVABLES	2014	2013
Rental receivable	33,172	74,914
Other receivables:		
- Other receivables	-	-
Gross debtors and other receivables	33,172	74,914
Less provision for impairment	(11,742)	(10,817)
TOTAL DEBTORS AND OTHER RECEIVABLES	**21,430**	**64,097**

Fair value

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

Impairment

The carrying amount of receivables that would otherwise be past due or impaired, whose terms have been renegotiated is $nil (2013: $nil)

The status of receivables as at 30 June are detailed below:

	2014			2013		
	Gross	Impairment	Net	Gross	Impairment	Net
Not past due	9,469	(3,364)	6,105	37,132	(322)	36,810
Past due 1-30 days	5,346	(2,253)	3,093	10,544	(111)	10,433
Past due 31-60 days	5,448	(486)	4,962	5,280	(709)	4,571
Past due >60 days	12,909	(5,638)	7,270	21,958	(9,675)	12,283
Total	**33,172**	**(11,742)**	**21,430**	**74,914**	**(10,817)**	**64,097**

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

	2014	2013
Individual impairment	11,742	10,817
Collective impairment	-	-
Total provision for impairment	**11,742**	**10,817**

NOTES TO THE FINANCIAL STATEMENTS

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

	2014	2013
At 1 July	(10,817)	(5,495)
Additional provisions made during the year	(17,726)	(11,731)
Provisions reversed during the year	10,817	5,495
Receivables written-off during the period	5,984	914
At 30 June	**(11,742)**	**(10,817)**

At 30 June 2014 the Marina held one boats as collatoral for an unpaid debt. This debt was paid in full on 21/7/14. At 30 June 2013 the Marina held no boats as collatoral to recover outstanding debts. No other collateral as security or other credit enhancements over receivables that are either past due or impaired.

9. INVENTORIES	2014	2013
Commercial inventories held for sale:		
Diesel	11,977	6,389
Other items	-	-
	11,977	**6,389**

No inventories are pledged as security for liabilities (2013: $nil).

Commercial inventories

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

10. PROPERTY, PLANT AND EQUIPMENT

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

	Opening			Movements during the year		
2014	**Cost/ valuation**	**Accumulated depreciation and impairment charges**	**Carrying amount**	**Additions**	**Disposals**	**Category Adjustments to cost**
Operational assets						
Land	447,158	-	447,158	-	-	-
Site improvements	826,607	(164,476)	662,131	38,962	-	-
Buildings	340,691	(78,218)	262,473	-	-	-
Service Centre/ Hardstand/Travel Lift	3,762,626	(290,644)	3,471,982	-	-	-
Plant and equipment	1,420,821	(601,854)	818,967	134,352	-	-
Vehicle	66,123	(28,939)	37,184	-	-	-
Piers and Berths	2,856,695	(926,492)	1,930,203	20,288	-	-
Total operational assets	**9,720,721**	**(2,090,623)**	**7,630,097**	**193,602**	**-**	**-**
2013						
Operational assets						
Land	447,158	-	447,158	-	-	-
Site improvements	647,551	(125,549)	522,002	179,056	-	-
Buildings	340,691	(67,297)	273,394	0	-	-
Service Centre/ Hardstand/Travel Lift	3,679,257	(189,622)	3,489,635	83,369	-	-
Plant and equipment	1,299,443	(519,357)	780,086	121,378	-	-
Vehicle	66,123	(15,714)	50,409	0	-	-
Piers and Berths	2,855,205	(810,913)	2,044,292	1,490	-	-
Total operational assets	**9,335,428**	**(1,728,452)**	**7,606,976**	**385,293**	**-**	**-**

VALUATION

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

11. INTANGIBLE ASSETS

	Opening			Movements during the year		
2014	**Cost/ valuation**	**Accumulated depreciation and impairment charges**	**Carrying amount**	**Additions**	**Disposals**	**Category Adjustments to cost**
Intangibles Software	54,554	(48,917)	5,637	-	-	
2013						
Intangibles Software	53,888	(45,799)	8,089	666	-	

NOTES TO THE FINANCIAL STATEMENTS

				Closing		
Impairment charges	**Depreciation**	**Depreciation on disposals**	**Category Adjustments to Depreciation**	**Cost/ valuation**	**Accumulated depreciation and impairment charges**	**Carrying amount**
-	-	-	-	447,158	-	447,158
-	(47,210)	-	-	865,569	(211,686)	653,883
-	(10,921)	-	-	340,691	(89,139)	251,552
-	(102,615)	-	-	3,762,626	(393,259)	3,369,367
-	(76,515)	-	-	1,555,173	(678,369)	876,804
-	(13,225)	-	-	66,123	(42,164)	23,959
-	(114,812)	-	-	2,876,983	(1,041,304)	1,835,679
-	**(365,298)**	**-**	**-**	**9,914,323**	**(2,455,921)**	**7,458,402**

-	-	-	-	447,158	-	447,158
-	(38,927)	-	-	826,607	(164,476)	662,131
-	(10,921)	-	-	340,691	(78,218)	262,473
-	(101,022)	-	-	3,762,626	(290,644)	3,471,982
-	(82,497)	-	-	1,420,821	(601,854)	818,967
-	(13,225)	-	-	66,123	(28,939)	37,184
-	(115,579)	-	-	2,856,695	(926,492)	1,930,203
-	**(362,171)**	**-**	**-**	**9,720,721**	**(2,090,623)**	**7,630,097**

			Closing		
Impairment charges	**Depreciation**	**Depreciation on disposals**	**Cost/ valuation**	**Accumulated depreciation and impairment charges**	**Carrying amount**
-	(3,053)	-	54,554	(51,970)	2,584
-	(3,118)	-	54,554	(48,917)	5,637

12. TRADE AND OTHER PAYABLES	2014	2013
Deposits and bonds	1,770	1,770
Accrued expenses	77,194	64,465
Rentals in advance	20,493	61,556
	99,457	**127,791**

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

13. BORROWINGS	2014	2013
CURRENT PORTION		
Loans from related parties	120,000	150,000
Total current portion	**120,000**	**150,000**
NON-CURRENT PORTION		
Loans from related parties	2,580,000	2,750,000
Total non-current portion	**2,580,000**	**2,750,000**
TOTAL BORROWING	**2,700,000**	**2,900,000**

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

Seaview Marina has as at 30 June 2014 a $300,000 (2013: $300,000) revolving overdraft facility agreement, no security is held for this facility. At balance date the amount drawn from this facility was $nil (2013: $nil).

14. EMPLOYEE ENTITLEMENTS	2014	2013
CURRENT PORTION		
Annual leave	20,537	19,649
Total employee entitlements - current portion	**20,537**	**19,649**
TOTAL EMPLOYEE ENTITLEMENTS	**20,537**	**19,649**

15. OTHER LIABILITIES	2014	2013
CURRENT PORTION		
Due to related parties (refer to note 22)	70,114	76,147
Total other liabilities - current portion	**70,114**	**76,147**
TOTAL OTHER LIABILITIES	**70,114**	**76,147**

NOTES TO THE FINANCIAL STATEMENTS

16. EQUITY	2014	2013
ACCUMULATED FUNDS		
Balance at beginning of the year	(16,637,523)	(16,960,171)
Net surplus/(deficit) after tax	209,571	322,648
BALANCE AT END OF THE YEAR	**(16,427,953)**	**(16,637,523)**
TOTAL EQUITY		
Balance at beginning of the year	4,644,380	4,321,732
Movements during the year	209,571	322,648
BALANCE AT END OF THE YEAR	**4,853,950**	**4,644,380**

17. RECONCILIATION OF SURPLUS AFTER TAX WITH CASH FLOWS FROM OPERATING ACTIVITIES

	2014	2013
SURPLUS AFTER TAX	**209,571**	**322,648**
Add/(less) non-cash items:		
Depreciation	368,351	365,289
Bad debts	-	914
Vested Assets	-	(12,000)
Loss on sale of assets		-
Add/(less) movements in working capital:		
(Increase)/decrease in accounts receivable and other assets	40,066	36,899
Increase/(decrease) in creditors	(28,336)	(15,036)
Increase/(decrease) in provisions and other liabilities	888	(3,872)
Increase/(decrease) in inventory	(5,588)	(4,403)
Add/(less) movements in investing activities:	-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	**584,952**	**690,439**

18. CATEGORIES OF FINANCIAL INSTRUMENTS	2014	2013
FINANCIAL ASSETS		
Loans and receivables		
Cash and cash equivalents	73,448	15,333
Debtors and other receivables	21,430	64,097
Other financial assets:		
- loans to related parties	-	-
Total financial assets	**94,878**	**79,430**
FINANCIAL LIABILITIES		
Financial liabilities at amortised cost		
Trade and other payables	99,457	127,791
Total financial liabilities at amortised cost	**99,457**	**127,791**

19. FINANCIAL INSTRUMENTS RISKS

The Marina has a series of policies to manage the risks associated with financial instruments and is risk averse and seeks to minimise exposure from its treasury activities. The Marina does not allow transactions that are speculative in nature to be entered into.

MARKET RISK

Price risk

Price risk is the risk the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. As at 30 June the Marina does not have any price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate due to changes in foreign exchange rates. As at 30 June 2014 the Marina does not have any foreign currency risk (2013: $nil) .

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest expose the Marina to fair value interest rate risk.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows of a financial instrument will fluctuate because of changes in market interest rates. Borrowing and investments issued at variable interest rates expose the Marina to cash flow interest rate risk.

CREDIT RISK

Credit risk is the risk that a third party will default on its obligation to the Marina, causing the Marina to incur a loss. Due to the timing of its cash flows and outflows, the Marina at times invests surplus cash into bank and term deposits which gives rise to credit risk.

The Marina investment policy limits the amount of credit exposure to any one financial institution or organisation. The Marina only invest funds with entities that have a Standard and Poor's credit rating of at least A- for short term and A- for long-term investments.

The Marina has no collateral or other credit enhancements for financial instruments the give rise to credit risk.

Financial instruments which potentially subject the Marina to credit risk principally consist of cash and/or cash equivalents, trade and other receivables.

The maximum exposure to credit risk:	2014	2013
Cash, cash equivalents and term loans	73,448	15,333
Debtors and other receivables	21,430	64,097
Other assets	-	-
Total credit risk	**94,878**	**79,430**

The maximum exposures shown above are net of any recognised provisions for losses on these financial instruments.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates:

COUNTERPARTIES WITH CREDIT RATINGS	2014	2013
Cash at bank and term loans		
AA	73,448	15,333
Total cash at bank and term loans	**73,448**	**15,333**

Debtors and other receivables mainly arise from the Marina's main rental functions. The Marina has no significant concentrations of credit risk in relation to debtors and other receivables.

NOTES TO THE FINANCIAL STATEMENTS

LIQUIDITY RISK

Management of liquidity risk

Liquidity risk is the risk that the Marina will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, and the availability of committed funding to meet day to day needs.

Contractual maturity analysis of financial liabilities

The table below analyses the Marinas financial liabilities into the relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt is based in the floating rate on the instrument at balance date. The amounts disclosed are contractual undiscounted cash flows. Financial guarantees are included in the time band containing the earliest date they can be called upon.

2014	Carrying amount	Contractual cash flows	Less than 1 year	Between 1-3 years	Between 3-5 years	Greater than 5 years
Creditors and other payables	99,457	-	99,457	-	-	-
Other liabilities	70,114	-	70,114	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured loans	-	-	-	-	-	-
Loan from HCC	2,700,000	2,839,470	150,000	2,550,000	-	-
Total	**2,869,571**	**2,839,470**	**319,571**	**2,550,000**	**-**	**-**
2013						
Creditors and other payables	127,791	-	127,791	-	-	-
Other liabilities	76,147	-	76,147	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured loans	-	-	-	-	-	-
Loan from HCC	2,900,000	3,041,775	150,000	2,750,000	-	-
Total	**3,103,938**	**3,041,775**	**353,938**	**2,750,000**	**-**	**-**

Contractual maturity analysis of financial assets

The table below analyses the Marinas financial assets into the relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

2014	Carrying amount	Contractual cash flows	Less than 1 year	Between 1-3 years	Between 3-5 years	Greater than 5 years
Cash and cash equivalents	73,448	-	73,448	-	-	-
Debtors and other receivables	21,430	-	21,430	-	-	-
Total	94,878	-	94,878	-	-	-
2013						
Cash and cash equivalents	15,333	15,333	15,333	-	-	-
Debtors and other receivables	64,097	64,097	64,097	-	-	-
Total	**79,430**	**79,430**	**79,430**	**-**	**-**	**-**

Sensitivity analysis

The tables below illustrate the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on the Marina's financial instrument exposure at balance date.

Note	2014				2013			
INTEREST RATE RISK	**Profit**	**-100bps Other Equity**	**Profit**	**+100bps Other Equity**	**Profit**	**-100bps Other Equity**	**Profit**	**+100bps Other Equity**
Financial Assets								
Cash and cash equivalents	(734)	-	734	-	(153)	-	153	-
Financial liabilities								
Borrowing:								
- Loan from HCC	(27,000)	-	27,000	-	(29,000)	-	29,000	-
Total sensitivity to interest rate risk	**(27,734)**	**-**	**27,734**	**-**	**(29,153)**	**-**	**29,153**	**-**

Explanation of sensitivity analysis

A movement in interest rates of plus or minus 1% has an effect of $27,734 (2013: $29,153) on the investment income earned by the cash and cash equivalents during the period.

20. REMUNERATION

	2014				2013			
	Salary	**Short term benefits**	**Post employment benefits**	**Total Remuneration**	**Salary**	**Short term benefits**	**Post employment benefits**	**Total Remuneration**
Marina Manager	100,118	11,700	3,004	**114,822**	100,218	11,700	5,093	**117,011**

Key management personnel compensation

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

	2014	**2013**
Salaries	150,322	156,261
Short term benefits	11,700	11,700
Post employment benefits	3,004	5,093
Total Remuneration	**165,025**	**173,054**

Remuneration of Board Members	**2014**	**2013**
B Walshe (Chairman from Apr 2012)	18,701	18,701
A Stewart	12,467	12,408
C Milne	12,467	12,467
R Jamieson (to 31/12/13)	6,569	12,467
Total	**50,204**	**56,043**

Employee Remuneration	**2014**	**2013**
Total remuneration paid or payable $110,000 - $119,999	1	1
Total employees	**1**	**1**

NOTES TO THE FINANCIAL STATEMENTS

Severance Payments

One severance payment totalling $1,500 was made by the Marina during the year (2013: $nil).

21. INTEREST REGISTER

Brian Walshe	Burdans Gate Properties Limited Adelaide Commercial Limited Gracefield Investments (Hutt) Limited Director, WHK and assoicated companies Chairman, Urban Plus Limited Director / Shareholder, Scratch Design (NZ) Limited Chairman, Kenway Property Consultants' Advisory Board
Chris Milne	Partner, Acadia Associates Director, Business Builders Ltd Councillor, Hutt City Council Trustee, Nga Manu Nature Reserve Trustee, Nikau Foundation Consultant, Zeald Ltd
Arthur Stewart	Director, Arthur Stewart Limited (trading as Stewart Property Solutions) Director, Urban Plus Limited
Ross Jamieson *(to 19 Dec 2013)*	Charter Boat Owner, Sunsail Councillor, Hutt City Council Principal, Jamieson Partners

22. RELATED PARTIES DISCLOSURES

The Marina had the following material transactions:

Related party transactions with parent company and with associates.

For the year ended 30 June 2014, the Council charged Seaview Marina Limited accountancy fees $26,000 (2013: $23,000), legal fees $nil (2013: $nil), building and resource consents $1,396 (2013: $2,157) and rates and water $82,591 (2013: $81,315).

During the year Seaview Marina received consultancy services from Urban Plus to the value of $7,994 (2013: $6,394), these transactions were on normal business terms and conditions.

Total advances from Hutt City Council to the Marina outstanding at 30 June 2014 amounted to $2,785,142 (2013: $2,975,182). Borrowings from Hutt City Council are issued at the 3 month BKBM FRA Rate plus a margin of 200 basis points. The maximum amount to be advanced at any time during the term of loan shall not exceed $3,500,000.

Brian Walshe and Arthur Stewart are both Directors for Urbanplus, during the year Urbanplus provided consultancy services to the Marina for the value of $7,994 (2013: $6,394)

Chris Milne is a consultant of Zeald Limited, and during the year the Marina purchased services to the value of $1,758 (2013: $3,023). He is also a partner in Arcadia Associates, and a Director in Business Builders Ltd. During the course of the year services to the value of $nil were purchased (2013: $nil).

Arthur Stewart is a Director in Stewart Properties Limited, no services were purchased in 2014 (2013: $nil).

23. CAPITAL COMMITMENTS AND OPERATING LEASES

CAPITAL COMMITMENTS

The Marina had $nil commitments for capital expenditure as at 30 June 2014 (2013: $nil) .

OPERATING LEASES AS LESSEE

The Marina leases equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments payable under non-cancellable leases are as follows:

	2014	2013
Not later than one year	310	413
Later than one year and not later than five years	-	310
Later than five years	-	-
TOTAL NON-CANCELLABLE OPERATING LEASES	**310**	**723**

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is $nil (2013: $nil).

Leases can be renewed at the Marina's option, with rents set by reference to current market rates for items of equivalent age and condition. The Marina does not have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on the Marina by any of the leasing arrangements.

OPERATING LEASES AS LEASOR

The Marina has 10 tenants in its Sea Centre., which have a non cancellable term of three years. The future aggregate minimum lease payments payable under non-cancellable leases are as follows:

	2014	2013
Not later than one year	185,751	152,056
Later than one year and not later than five years	199,544	163,567
Later than five years		-
TOTAL NON-CANCELLABLE OPERATING LEASES	**385,295**	**315,623**

24. CONTINGENT LIABILITIES AND ASSETS

Contingent Assets

As at 30 June 2014 the Marina had no contingent assets (2013: $nil).

Contingent liabilities

As at 30 June 2014 SML had no contingent liabilities.

25. CAPITAL MANAGEMENT

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

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

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

26. CHANGES IN BUSINESS OF COMPANY

During the year ended 30 June 2014 there were no changes in the nature of business of the company which includes the provision of marina services.

27. MAJOR BUDGET VARIATIONS

Explanations for major variations from Marina's budgeted figures are as follows:

Statement of Comprehensive Income

The surplus after tax was $209,571 (2013: $322,648) for the year ended 30 June 2014. This was $146,571 below budget (2013: $77,994 above budget).

Operating revenue: Diesel sales income lower than planned due to lower volumes sold, and fewer customers. Income from rentals lower than budget due to lower usage of the hardstand and the travel lift. Sea Centre income was marginally under budget. However, income from berth and trailer park rentals was higher than planned. Income from user charges was lower than budget due to a mistake in the SOI budget which effectively overstated the budget. Other revenue was significantly higher than planned due largely to the settlement of an insurance claim for damage arising from the 2013 June storm.

Employee costs: Higher than planned due to employment during 2013-14 of one additional employee (fixed term) to assist with the clean up after the 2013 June storm, and to upgrade the Marina cradle to mitigate damage from future storm incidents.

Operating costs: Costs higher than budget and prior year largely due to expenditure on June storm clean up, higher than planned maintenance (some of it storm related), increased insurance and higher security costs. Cost of diesel sales is lower than budget due to decreased volume sold reflecting lower sales income.

NOTES TO THE FINANCIAL STATEMENTS

Depreciation costs: Marginally higher than planned due to early completion of some projects and the addition of a spray booth (unbudgeted).

Finance costs: Lower than budget due to the lending rates staying lower for longer than budgeted.

Statement of Financial Position

Cash is lower than budget with surplus cash used to reduce debt. Property, Plant and Equipment is marginally higher than budget due to early completion of some planned capital projects during the year (e.g. trailer park walkway and E pier toilets), and the purchase of spray booth facilities (unplanned) . Other liabilities are higher than budget due to the level of creditors at year end.

Statement of Cashflows

The Marina continued to maintain a positive cash flow from operations, with lower interest costs contributing to the final result. Investing outflows included the completion of a number of developments during the year (e.g. the trailer park walkway complementing the extension to the trailer park completed last year). The marina continued the repayment of its loan to Hutt City Council this year.

28. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events after balance date. (2013: There have been no significant events after balance date).

REPORTING AGAINST TARGETS FOR 2013/14 FINANCIAL YEAR

Sections 4 and 9 of the Statement of Intent cover the criteria for the targets set by the Board for the 2013/2014 financial year. There is some repetition and these are combined in measuring the performance of Seaview Marina Limited during the year.

1. PROVISION OF SERVICES

The market remained stable over the 2013/2014 financial year and the boat storage income achieved budget, which was a good result. While the targeted occupancy rates for berths and trailer parks did not achieve the targets the income was achieved by larger vessels leasing the more expensive berths. There was a steady demand for both in water and trailer boat storage.

The hardstand operation did not achieve the budgeted income. After a strong year in 2012/2013 the management felt confident the operation would continue at the same activity levels into 2013/2014. This did not eventuate. There are a couple of possible reasons for this. Firstly, there was a period after the June 2013 storm when a lack of confidence in having a boat on the hardstand may have stopped boat owners hauling out. Secondly, and more importantly, the large increase seen in 2012/2013 may have been an anomaly which normally would have been spread over a couple of years. The fact that it all came in one year may have distorted the figures for both financial years.

The Sea Centre lost one tenant and as a consequence property rental was slightly behind budget. The unit has since been leased out on a casual basis and achieved 50% occupancy. This was considered a very good result for the year. However, there are indications that another couple of tenants may be leaving in the next financial year.

Key Performance Indicator	2014 Target	2014 Achieved	2013 Target	2013 Achieved
Berth Occupancy	94%	92%	93%	93%
Trailer Park Occupancy	94%	90%	98%	89%
Hardstand cradle days***	80%	67%	80%	83%
Boat Haul out	750 lifts for the year	422 lifts for the year	1000 lifts for the year	501 lifts for the year
Total Revenue	$2,071,300	$2,003,925	$1,918,805	$1,979,788
Net Surplus*	$356,150	$209,571	$244,704	$322,648
Return on Investment	5%	4.5%	5.0%	7.47%
Manage and operate Marina within its 2013/14 budget	$1,715,150	$1,794,354	$1,674,101	$1,657,140

** Net surplus is after interest expense and depreciation.*

**** Measure changed in 2013/14, therefore the 2012-13 measure has been restated. In the 2013/2014 financial year the measure for hardstand occupancy was changed to provide a more accurate measure. Cradle days previously used did not take into account the different charge out rates for different sized cradles or the change in rates after 30 days. Occupancy is now calculated on actual income against potential income for full occupancy, which gives a more accurate measure.*

REPORTING AGAINST TARGETS FOR 2013/14 FINANCIAL YEAR

2. MAINTENANCE

The marina has reached its half-life of 20 years. The metal components of the floating systems (berths) were inspected during the year and graded according to its condition. This was added into the Asset Management Plan and maintenance work was programmed. In the past marina staff has been replacing the metal components but it was decided a dedicated team was needed to work full time on this upgrade work. A contractor was employed full time and the work was begun at the end of the financial year.

Key Performance Indicator	2014 Target	2014 Achieved
Maintain asset management plans annually as detailed in the operational plan.	100%	100%
Develop and complete asset management plans annually as detailed in the operational plan for 2013/14.	Complete	The asset management plan was updated and contractors hired to begin a major refurbishment to replace metal componentry identified for upgrading. This project will be spread over two years. Other maintenance work programmed over the year was completed.

3. MONITORING

3.1 Water quality – Achieved

The monitoring done by ESL during 2013/2014 showed that the level of contaminants in the wash down water was within the limits imposed by the Trade Waste Consent. The Licence to Discharge into the trade waste system was renewed by the HCC for the next twelve months.

3.2 Client Survey

A client service questionnaire was sent out to all our licensees in February 2014. A total data base of 449 was sent the survey and 309 responded, which was a 69% response rate. This is considered an outstanding response.

The survey provided the Board with an excellent measure on how the marina's client viewed the facility and services at SML. The results were extremely gratifying and were well above the targets set by the Board.

Key Performance Indicator	2014 Target	2014 Achieved
Management rating	85% positive response rate	92% positive response rate
Boat yard rating	85% positive response rate	89% positive response rate
Recommend Seaview Marina to others	85% positive response rate	89% positive response rate

4. MANAGEMENT

The management of Seaview Marina is done on a very collaborative approach with all staff members being involved fully with strategic and operational decision making. The marina operated over the year with five full time equivalents.

Such a small staff requires cross training in operational aspects of the business and basic administration. All staff was provided with training opportunities during the year.

Over the 2013/2014 financial year the small dedicated team had to manage the marina during a serious storm event and ensure the safety of boat owners and live aboard licensees. There were no injuries. The recovery from the damage was handled by the staff and outside contractors where necessary. The fact that the operation was able to be fully functional within a couple of days of the event and the damage repaired within three months of the event is an indication of the dedication and professionalism of the team.

5. DEVELOPMENT

A review of the strategic plan was done at the beginning of 2013 and capital projects were confirmed for the next three years. There were six capital projects identified for the 2013/2014 year and all but one was actively pursued. Because of the possibility of a strategic partnership between the Lowry Bay Yacht Club and the marina no action was taken on the café project.

Key Performance Indicator	2014 Target	2014 Achieved
Construct and lease for an economic rental a Café on the marina site.	Complete the café building by the end of 2013/2014 financial year.	This project was reviewed in light of an approach from the LBYC for SML to purchase their clubrooms, with the view of using part of the structure for a café. Unfortunately the club members voted against this proposal, which meant no action was possible on developing a café on site. The project is on hold for another 12 months.
Upgrade the old toilet block at the end of the central causeway.	Complete this project within the $60k budget and by the end of 2013.	The upgrade was completed on time and within budget and provides the licensees on D and E pier with two superior unisex shower/toilet facilities.
Purchase and develop an additional hardstand area	The proposal was to purchase a 400 square metre area of Council land adjacent to the hardstand.	The proposal was developed by the marina management and put to Council. It did not receive the support from Council and so the project was not able to procede.
Construct the second stage of the walkway within the marina to eventually join up with the Greater Wellington Walkway	Complete the second section from the marina office to the southern end of the causeway.	This project was completed on budget and on time by the end of 2013. It has been an extremely successful addition to the marina landscaping and is encouraging the general public to utilise the marina for recreational purposes. It also provides a separation of pedestrians from road traffic.
Construct Rubbish Bin Compounds	Provide covered rubbish bin containers and reduce the size of containers to provide better facilities for boat owners by the end of the financial year.	The purchase of the containers and the rationalization of the waste bins was arranged at the end of the financial year but the changes did not get implemented until the beginning of the 2014/2015 financial year.
Install pier gate structures	Two pier gate structures for F and G piers were proposed to be included in the additional berths.	The newly formed Marina Users Association lobbied the Council and the Board on this development with the consequence that the two gate structures have been put on hold. A change in the design has been approved by the Board, which will be cheaper but still functional. These will be constructed when the F & G pier development goes ahead in 2014/2015.

REPORTING AGAINST TARGETS FOR 2013/14 FINANCIAL YEAR

6. PUBLIC ACCESS

SML's Statement of Intent includes a provision to provide facilities which encourage the general public to use the marina for recreation. The Board has focused on providing pathways, landscaping, seats and rubbish bins to encourage the general public into the marina. As part of this the second stage of the link walkway between the Eastern Bays walkway and the Hutt River Walkway was installed. This continued last year's pathway from the launching ramp to the office south for another 120m to the end of the central causeway.

Key Performance Indicator	2014 Target	2014 Achieved
Work with the Council to develop a strategy that will encourage the public to use the marina.	Implement stage 2 pathway within budget and on time.	The stage 2 pathway has been installed and is now operational. Good feedback has been received from the general public and the marina clients. There is now only one section to be completed and this will form the completed link between the Eastern Bays Walkway and the Hutt River Walkway.

7. MANAGE MARINA SERVICES WITHIN EXISTING STAFFING STRUCTURE

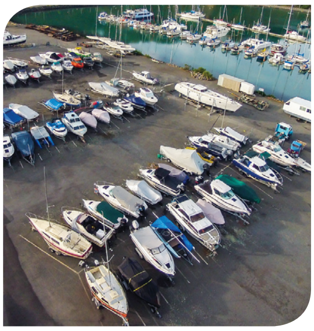
The marina operates with five full time equivalent staff members. Two administrative staff and two operational staff and manager run the marina. The small staff is, by necessity, required to cover a range of rolls and must have the training and skill sets to cover each other's roles. They are provided with training and are encouraged to get involved with all aspects of the operation of the marina. The team is a tight knit and responsive group of professionals.

Key Performance Indicator	2014 Target	2014 Achieved
Maintain staffing levels at agreed levels with suitably qualified personnel	5 FTE	Staffing levels were maintained but an additional part time employee was taken on after the storm to handle the upgrade work necessary after the June 2013 storm.

8. COMPLY WITH FINANCIAL, TECHNICAL AND REGULATORY STANDARDS

Key Performance Indicator	2014 Target	2014 Achieved	2013 Achieved	2012 Target
Full compliance with financial, technical and regulatory standards.	100%	100%	100%	100%

Health and safety became a key focus for the Board and Management with major upgrades to the marinas policies and procedures. All technical and regulatory standards were complied with and at the end of the year there were no outstanding issues. All activities are carried out within the required consents and regulations. Professional advice is always sourced when significant decisions are made.

New Zealand's clean marina programme

Marina Industries Association

NEW ZEALAND MARINA Operators Association