SEAVIEW MARINA LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED
30 JUNE 2010

The 2009/10 financial year can best be described as challenging for Seaview Marina Limited for several reasons.

Our Manager Alan McLellan was on leave for almost two months having some major surgery and our hardstand supervisor Bill Cole injured his finger, which at the time of writing this report, has still not healed well enough for him to return to work.

The Directors wish to thank Suzanne Willis and Mike Croft for the great work they both did in order to keep the business running.

Our biggest project ever, the new Sea Centre commenced construction in November 2009 and was completed on time and budget on the 5th August 2010. I realize this is subsequent to balance date but important enough to report its completion I feel. The Centre is well in excess of 80% leased with some excellent tenants.

Other major capital expenditure during the year was the purchase of a new 50 tonne boat hoist and a new walkway (G Pier), commissioned in late December 2009. Subsequently we have been able to dispose of our original boat hoist at a satisfactory price, which is pleasing given the limited market for such equipment.

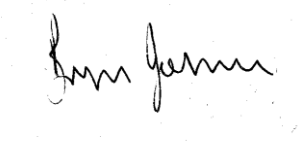
The Board's vision for the Marina, developed in strategy planning sessions almost five years ago, is for Seaview Marina to become the marine service hub for the Wellington region and we believe we are well on the way to achieving this.

Some key metrics for the financial year:

Berth Occupancy	94%
Trailer Park Occupancy	99%
Hardstand revenue	96% of budget was excellent considering the loss of area due to construction of the Sea Centre
Revenue	Increased by 2% from 2008/2009 FY
Surplus	$168,680
ROI	4.1%

The surplus was adversely affected by our being unable to capitalise some leasing and legal costs for the Sea Centre development. We had been advised that we would have been able to treat these as part of the development cost, and therefore had been excluded from our operating budget.

May I finish by thanking my fellow Directors, John Anderson and Arthur Stewart for their very professional contributions. Alan McLellan, our Manager and his team for their dedication and our Shareholder, Hutt City Council for their unstinting support.



Bryan Jackson

Chairman

Audit Report

To the readers of Seaview Marina Limited's financial statements and performance information for the year ended 30 June 2010

The Auditor-General is the auditor of Seaview Marina Limited (the Company). The Auditor-General has appointed me, John O'Connell, using the staff and resources of Audit New Zealand, to carry out the audit on her behalf. The audit covers the financial statements and performance information included in the annual report of the Company for the year ended 30 June 2010.

Unqualified opinion

In our opinion:

- The financial statements of the Company on pages 7 to 25:
  - comply with generally accepted accounting practice in New Zealand;
  - comply with International Financial Reporting Standards; and
  - give a true and fair view of:
    - the Company's financial position as at 30 June 2010; and
    - the results of its operations and cash flows for the year ended on that date.
- The performance information of the Company on page 26 gives a true and fair view of the achievements measured against the performance targets adopted for the year ended 30 June 2010.
- Based on our examination the Company kept proper accounting records.

The audit was completed on 30 September, and 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 the Auditor, and explain our independence.

Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and performance information did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and performance information. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Board of Directors;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information.

We evaluated the overall adequacy of the presentation of information in the financial statements and performance information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Board of Directors and the Auditor

The Board of Directors is responsible for preparing the financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must give a true and fair view of the financial position of the Company as at 30 June 2010 and the results of its operations and cash flows for the year ended on that date. The Board of Directors is also responsible for preparing performance information that gives a true and fair view of service performance achievements for the year ended 30 June 2010. The Board of Directors' responsibilities arise from the Financial Reporting Act 1993 and the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements and performance information and reporting that opinion to you. This 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 Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

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

John O'Connell

John O'Connell
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Matters relating to the electronic presentation of the audited financial statements and performance information

This audit report relates to the financial statements and performance information of Seaview Marina Limited for the year ended 30 June 2010 included on the Seaview Marina's website. The Seaview Marina's board is responsible for the maintenance and integrity of the Seaview Marina's website. We have not been engaged to report on the integrity of the Seaview Marina's website. We accept no responsibility for any changes that may have occurred to the financial statements and performance information since they were initially presented on the website.

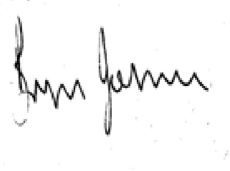
The audit report refers only to the financial statements and performance information named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and performance information. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and performance information and the related audit report dated 30 September 2010 to confirm the information included in the audited financial statements and performance information presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

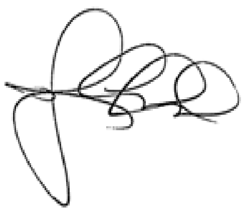
STATEMENT OF COMPLIANCE

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.



Bryan Jackson
Chairman



John Anderson
Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	Note	Actual 2010	Budget 2010	Actual 2009
INCOME				
Net revenue from diesel sales		8,959	5,000	5,436
Rentals	*2*	1,170,760	1,177,848	1,111,732
Finance revenue	*3*	510	5,000	5,434
Vested assets		-	-	30,300
Other user charges		31,191	20,600	25,708
Other revenue		14,206	-	23,532
Total revenue		**1,225,626**	**1,208,448**	**1,202,142**
EXPENDITURE				
Employee costs	*4*	274,632	260,865	239,971
Operating costs	*5*	520,367	478,780	475,375
Finance costs	*3*	39,040	1,200	1,389
Depreciation and amortisation	*10 & 11*	222,907	222,000	208,615
Total expenditure		**1,056,946**	**962,845**	**925,350**
Surplus before tax		**168,680**	**245,603**	**276,792**
Income tax expense	*6*	-	-	-
SURPLUS AFTER TAX		**168,680**	**245,603**	**276,792**
OTHER COMPREHENSIVE INCOME		-	-	-
TOTAL COMPREHENSIVE INCOME		**168,680**	**245,603**	**276,792**

Explanation of the Marina's surplus after tax

Marina made a surplus after tax of $168,680 compared with a budgeted surplus after tax of $245,603. The operating result was $76,923 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 2010

	Actual 2010	Budget 2010	Actual 2009
Balance at 1 July	3,914,572	3,914,572	3,637,780
Total comprehensive income previously reported	168,680	245,603	276,792
Effect on accumulated funds of restatement	-	-	-
Total comprehensive income as restated	168,680	245,603	276,792
Balance at 30 June	**4,083,252**	**4,160,175**	**3,914,572**

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	Actual 2010	Actual 2009
EQUITY			
Accumulated funds	*16*	(17,198,651)	(17,367,331)
Share capital		21,281,903	21,281,903
TOTAL EQUITY		**4,083,252**	**3,914,572**
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	*7*	35,908	31,797
Debtors and other receivables	*8*	586,722	524,356
Inventories	*9*	3,717	2,149
Other financial assets	*12*	-	-
Non-current assets held for sale*		40,000	-
Prepayments		1,193	1,194
Total current assets		**667,540**	**559,496**
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	4,095,442	3,705,628
Intangible assets	*11*	5,685	4,969
Assets under construction**		3,197,246	350,053
Total non-current assets		**7,298,373**	**4,060,650**
TOTAL ASSETS		**7,965,913**	**4,620,146**
CURRENT LIABILITIES			
Borrowings	*14*	-	157,121
Creditors and other payables	*13*	1,008,535	540,820
Employee entitlements	*15*	23,352	7,633
Total current liabilities		**1,031,887**	**705,574**
NON-CURRENT LIABILITIES			
Borrowings	*14*	2,850,774	-
Total non-current liabilities		**2,850,774**	-
TOTAL LIABILITIES		**3,882,661**	**705,574**
NET ASSETS	*16*	**4,083,252**	**3,914,572**

* Non-current assets held for sale relate to the old travel lift

** Assets under construction relate to the new Marina Service Centre that opened in September 2010

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010

	Note	Actual 2010	Actual 2009
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from rentals		1,201,283	1,117,752
Receipts from user charges and other income		54,356	35,718
Interest received		-	5,434
		1,255,639	**1,158,904**
Cash was applied to:			
Payments to employees		(258,913)	(245,976)
Payments to suppliers		(188,210)	(472,490)
Interest paid		(39,040)	(1,389)
		(486,163)	**(719,855)**
Net cash flows from operating activities	*17*	**769,476**	**439,049**
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Foreign exchange gain		510	-
		510	-
Cash was applied to:			
Purchase of property, plant and equipment		(669,028)	(522,765)
Purchase of intangible assets		(2,718)	(922)
Purchase assets under construction		(2,787,782)	(206,079)
		(3,459,528)	**(729,766)**
Net cash flows from investing activities		**(3,459,018)**	**(729,766)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from:			
Proceeds from borrowings - Hutt City Council		2,693,653	157,121
Repayment of borrwoings - Hutt City Council		-	125,358
Cash was applied to:			
Loan to HCC		-	-
Net cash flows from financing activities		**2,693,653**	**282,479**
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		4,111	(8,238)
Cash, cash equivalents and bank overdrafts at the beginning of the year		31,797	40,035
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE END OF THE YEAR		**35,908**	**31,797**
Cash balance at end of the year comprises:			
Cash and on call deposits		35,908	31,797
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE END OF THE YEAR		**35,908**	**31,797**

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. 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 Marina are for the year ended 30 June 2010. The financial statements were authorised for issue by the Board of Directors on the 30 September 2010.

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.

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.

Changes in accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The Marina has adopted the following revisions to accounting standards during the financial year, which have had only a presentation or disclosure effect:

- NZ IAS *1 Presentation of Financial Statements* (revised 2007) replaces NZ IAS *1 Presentation of Financial Statements* (issued 2004). The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a Statement of Comprehensive Income. The Statement of Comprehensive Income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners. The Marina have decided to prepare a single statement of comprehensive income for the year ended 30 June 2010 under the revised standard. Financial statement information for the year ended 30 June 2009 has been restated accordingly. Items of other comprehensive income presented in the statement of comprehensive income were previously recognised directly in the statement of changes in equity.
- NZ IAS 23 *Borrowing Costs* (revised 2007) replaces NZ IAS 23 *Borrowing Costs* (revised 2004). The revised standard requires all borrowing costs to be capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. The Marina have decided to apply the public benefit entity exemptions allowed within the standard and have not capitalised any borrowing costs for the year ended 30 June 2010.

- Amendments to NZ IFRS 7 *Financial Instruments: Disclosures.* The amendments introduce a three-level fair value disclosure hierarchy that distinguishes fair value measurements by the significance of valuation inputs used. A maturity analysis of the financial assets is also required to be prepared if this information is necessary to enable users of the financial statements to evaluate the nature and the extent of liquidity risk. The transitional provisions of the amendment do not require disclosure of comparative information in the first year of application. The Marina has elected not to disclose comparative information.
- NZ IAS 24 *Related Party Disclosures (Revised 2009)* replaces NZ IAS 24 *Related Party Disclosures (Issued 2004)*. The revised standard simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. The Marina has elected to early adopt the revised standard and its effect has been to disclose further information about commitments between related parties.

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 Marina, 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 three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of the 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 or 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 new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ended 30 June 2014. The Marina has not yet assessed the effect of the new standard and expects it will not be early adopted.

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.

Receivables
Trade 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 reaslisable 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	33.3	3.0%
Sundry site improvements	15.4 - 66.7	1.5% - 6.5%
Piers and marina berths	25	4.0%
Travel lift	18.2	5.5%
Boat racks and cradles	33.3 – 66.7	3.0% - 6.5%
Other equipment	4.2 – 12.5	8.0% - 24.0%

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	2.8	36.0%

Impairment of non financial assets

Assets with a finite useful life are reviewed for impairment when ever 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.

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.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Employee benefits

Short-term benefits: 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 expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax 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 calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantially enacted by balance date.

Current tax and deferred tax is charged or credited to the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with 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 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 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 and in note 10 and 11.

There have been no critical judgements made.

2. RENTAL INCOME	2010	2009
Berth and trailer park rentals	991,976	926,646
Boat lifts and hard stand	140,542	145,044
Ramp fees	20,376	21,367
Other rentals	17,866	18,675
Total rental income	**1,170,760**	**1,111,732**

3. FINANCE REVENUE AND FINANCE COSTS

Finance revenue	2010	2009
Interest revenue		
- related party deposits	-	5,434
Foreign exchange gain	510	-
Total finance revenue	**510**	**5,434**
Finance costs		
Interest expense		
- related party loans	39,040	1,389
Total finance cost	**39,040**	**1,389**
Net finance revenue/(costs)	**(38,530)**	**4,045**

4. EMPLOYEE COSTS	2010	2009
Salaries and wages	238,064	228,203
Employer contributions to defined contribution plans	1,812	2,103
Training	2,533	2,250
Other employee costs	16,504	13,420
Increase/(decrease) in employee entitlements/liabilities	15,719	(6,005)
Total employee costs	**274,632**	**239,971**

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

5. OPERATING COSTS	2010	2009
Auditors' fees for the audit of the financial statements	13,380	8,853
Impairment of receivables	(522)	3,281
Directors' fees	43,750	43,750
Donations	1,390	450
Electricity	59,213	50,185
Equipment purchases	4,822	8,520
Insurance expenses	40,017	44,156
Maintenance	17,414	11,085
Legal services	10,780	19,988
Other specialist services	26,629	10,875
Printing and stationery	8,773	1,127
Professional services charges - Hutt City Council	4,000	12,051
Promotion expenses	15,989	18,123
Operational contracts	113,410	103,618
Vehicle costs	14,069	19,310
Rates and water charges - Hutt City Council	84,300	82,659
Impairment of assets held for sale	18,308	-
Other expenses	44,645	37,344
TOTAL EXPENDITURE	**520,367**	**475,375**

6. TAXATION

6. TAXATION	2010	2009
Net surplus/(deficit) before tax	168,680	276,792
Tax at 30%	50,604	83,038
Non-deductable expenditure	(941)	(4,884)
Prior year adjustment	4,172	
Tax losses not recognised	(53,835)	(78,154)
Tax expense	-	-
Current tax	-	-
Deferred tax asset/(liability)	-	-

Deferred tax asset/(liability)	**Property, plant and equipment**	**Other provisions**	**Tax losses**	**Deferred tax asset/(liability)**
Balance at 30 June 2008	-	-	-	-
Charged to income	-	-	-	-
Charged to equity	-	-	-	-
Balance at 30 June 2009	-	-	-	-
Charged to income	(711,305)	7,939	703,366	-
Charged to equity	-	-	-	-
Balance at 30 June 2010	**(711,305)**	**7,939**	**703,366**	**-**

A deferred tax asset has not been recognised in relation to tax losses of $10,211,278 (2009: $12,902,753). The losses are available for offset against future assessable income. There are no imputation credits available for use.

7. CASH AND CASH EQUIVALENTS

7. CASH AND CASH EQUIVALENTS	2010	2009
Cash at bank and on hand	35,908	31,797
Term deposits with maturities less than three months	-	-
CASH AND CASH EQUIVALENTS	35,908	31,797

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.

	2010	2009
Cash at bank and on hand	35,908	31,797
Term deposits with maturities less than three months	-	-
Bank overdrafts	-	-
Total	**35,908**	**31,797**

8. DEBTORS AND OTHER RECEIVABLES

8. DEBTORS AND OTHER RECEIVABLES	2010	2009
Rental receivable	591,200	510,398
Other receivables:		
- Other receivables		18,958
Gross debtors and other receivables	591,200	529,356
Less provision for impairment	(4,478)	(5,000)
TOTAL DEBTORS AND OTHER RECEIVABLES	586,722	524,356

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 (2009: $nil)

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

	2010			**2009**		
	Gross	**Impairment**	**Net**	**Gross**	**Impairment**	**Net**
Not past due	522,411		522,411	494,179		494,179
Past due 1-30 days	18,434		18,434	10,435		10,435
Past due 31-60 days	3,865		3,865	1,733		1,733
Past due >60 days	46,490	(4,478)	42,012	23,009	(5,000)	18,009
Total	**591,200**	**(4,478)**	**586,722**	**529,356**	**(5,000)**	**524,356**

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:

	2010	2009
Individual impairment	-	-
Collective impairment	4,478	5,000
Total provision for impairment	**4,478**	**5,000**

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

	2010	2009
At 1 July	(5,000)	(15,000)
Additional provisions made during the year	(4,842)	(8,281)
Provisions reversed during the year	5,000	15,000
Receivables written-off during the period	364	3,281
At 30 June	**(4,478)**	**(5,000)**

The Marina holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

9. INVENTORIES

Commercial inventories held for sale:	2010	2009
Diesel	3,717	2,149
Other items	-	-
	3,717	**2,149**

No inventories are pledged as security for liabilities (2009: $nil). However, some inventories are subject to retention of title clause.

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					Closing		
2010	Cost/ valuation	Accumulated depreciation and impairment charges	Carrying amount	Additions	Disposals	Impairment charges	Depreciation	Depreciation on disposals	Cost/ valuation	Accumulated depreciation and impairment charges	Carrying amount
Operational assets											
Land	447,158	-	447,158	-	-	-	-	-	447,158	-	447,158
Buildings	333,343	(35,833)	297,510	-	-	-	(10,000)	-	333,343	(45,833)	287,510
Plant and equipment	1,214,061	(384,170)	829,891	449,044	(109,338)	-	(124,061)	51,030	1,553,767	(457,201)	1,096,566
Piers and Berths	2,602,652	(471,583)	2,131,069	219,983	-	-	(86,844)	-	2,822,635	(558,427)	2,264,208
Total operational assets	***4,597,214***	***(891,586)***	***3,705,628***	***669,027***	***(109,338)***	**-**	***(220,905)***	***51,030***	***5,156,903***	***(1,061,461)***	***4,095,442***

2009											
Operational assets											
Land	447,158	-	447,158	-	-	-	-	-	447,158	-	447,158
Buildings	333,343	(25,833)	307,510	-	-	-	(10,000)	-	333,343	(35,833)	297,510
Plant and equipment	1,156,365	(274,577)	881,788	57,696	-	-	(109,593)	-	1,214,061	(384,170)	829,891
Piers and Berths	2,089,426	(384,739)	1,704,687	513,226	-	-	(86,844)	-	2,602,652	(471,583)	2,131,069
Total operational assets	***4,026,292***	***(685,149)***	***3,341,143***	***570,922***	**-**	**-**	***(206,437)***	**-**	***4,597,214***	***(891,586)***	***3,705,628***

VALUATION

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

11. INTANGIBLE ASSETS

	Opening			Movements during the year					Closing		
2010	Cost/ valuation	Accumulated depreciation and impairment charges	Carrying amount	Additions	Disposals	Impairment charges	Depreciation	Depreciation on disposals	Cost/ valuation	Accumulated depreciation and impairment charges	Carrying amount
Intangibles											
Software	45,004	(40,035)	4,969	2,718	-	-	(2,002)	-	47,722	(42,037)	5,685

2009											
Intangibles											
Software	44,082	(37,857)	6,225	922	-	-	(2,178)	-	45,004	(40,035)	4,969

12. OTHER FINANCIAL ASSETS	2010	2009
OTHER ASSETS - CURRENT PORTION		
Loan to related parties	-	-
Total other assets - current portion	-	-
TOTAL OTHER ASSETS	-	-

13. TRADE AND OTHER PAYABLES	2010	2009
Deposits and bonds	2,210	2,210
Accrued expenses	451,686	76,860
Rentals in advance	554,639	461,750
	1,008,535	**540,820**

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.

14. BORROWINGS	2010	2009
CURRENT		
Loans from related parties		157,121
TOTAL CURRENT BORROWINGS	-	**157,121**
LONG TERM		
Loans from related parties	2,850,774	-
TOTAL LONG TERM BORROWINGS	**2,850,774**	-

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.

15. EMPLOYEE ENTITLEMENTS	2010	2009
Current portion		
Annual leave	23,352	7,633
Total Current portion	23,352	7,633
Non-current portion		
Total Non-current portion	-	-
TOTAL EMPLOYEE ENTITLEMENTS	**23,352**	**7,633**

16. EQUITY

ACCUMULATED FUNDS	2010	2009
Balance at beginning of the year	(17,367,331)	(17,644,123)
Net surplus/(deficit) after tax	168,680	276,792
BALANCE AT END OF THE YEAR	**(17,198,651)**	**(17,367,331)**
TOTAL EQUITY		
Balance at beginning of the year	3,914,572	3,637,780
Movements during the year	168,680	276,792
BALANCE AT END OF THE YEAR	**4,083,252**	**3,914,572**

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

	2010	2009
SURPLUS AFTER TAX	**168,680**	**276,792**
Add/(less) non-cash items:		
Depreciation	222,907	208,615
Vested assets	-	(30,300)
Impairment of assets held for sale	18,308	-
Foreign exchange (gains)/losses	(510)	-
Add/(less) movements in working capital:		
Increase/(decrease) in accounts receivable and other assets	(62,365)	(21,963)
Increase/(decrease) in creditors	408,305	6,370
Increase/(decrease) in provisions and other liabilities	15,719	(6,005)
Increase/(decrease) in inventory	(1,568)	5,540
NET CASH FLOWS FROM OPERATING ACTIVITIES	**769,476**	**439,049**

18. CATEGORIES OF FINANCIAL INSTRUMENTS

FINANCIAL ASSETS	2010	2009
Loans and receivables		
Cash and cash equivalents	35,908	31,797
Debtors and other receivables	586,722	524,356
Other financial assets:		
- loans to related parties	-	-
Total financial assets	**622,630**	**556,153**
FINANCIAL LIABILITIES		
Financial liabilities at amortised cost		
Trade and other payables	1,008,535	540,820
Total financial liabilities at amortised cost	**1,008,535**	**540,820**

19. FINANCIAL INSTRUMENTS RISKS

The Marina has a series of policies to manage the risks associated with financial instruments. The Marina is risk averse and seeks to minimise exposures from its treasury activities. The Marina has established Marina approved Liability Management and Investment policies. These policies do not allow any 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. The Marina is exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through equity. This price risk arises due to market movements in listed securities. The price risk is managed by diversification of the Marina's investment portfolio in accordance with the limits set out in the Marina's Investment Policy.

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 2010 the Marina does not have any foreign currency risk.

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 Group 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 Group to credit risk principally consist of cash and/or cash equivalents, trade and other receivables.

The Marina holds cash with Westpac. Westpac is part of the Crown Retail Deposit Guarantee Scheme and so all deposits up to $1 million held with Westpac are guaranteed by the Crown.

The maximum exposure to credit risk:	**2010**	**2009**
Cash, cash equivalents and term loans	35,908	31,797
Debtors and other receivables	586,722	524,356
Other assets	-	-
Total credit risk	622,630	556,153

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

Cash at bank and term loans	**2010**	**2009**
AA	35,908	31,797
Total cash at bank and term loans	**35,908**	**31,797**

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.

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.

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1-3 years	Between 3-5 years	Greater than 5 years
2010						
Creditors and other payables	1,008,535	1,008,535	1,008,535	-	-	-
Bank overdraft	-	-	-	-	-	-
Secured loans	-	-	-	-	-	-
Loan from HCC	2,850,774	2,850,774	-	2,850,774	-	-
Total	**3,859,309**	**3,859,309**	**1,008,535**	**2,850,774**	-	-
2009						
Creditors and other payables	540,820	540,820	540,820			
Bank overdraft	-	-	-	-	-	-
Secured loans	-	-	-	-	-	-
Total	**540,820**	**540,820**	**540,820**	-	-	-

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.

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1-3 years	Between 3-5 years	Greater than 5 years
2010						
Cash and cash equivalents	35,908	35,908	35,908	-	-	-
Debtors and other receivables	586,722	586,722	586,722	-	-	-
Total	**622,630**	**622,630**	**622,630**	-	-	-
2009						
Cash and cash equivalents	31,797	31,797	31,797	0	0	0
Debtors and other receivables	524,356	524,356	524,356	0	0	0
Total	**556,153**	**556,153**	**556,153**	**0**	**0**	**0**

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	2010				2009			
		-100bps		+100bps		-100bps		+100bps
INTEREST RATE RISK	**Profit**	**Other Equity**	**Profit**	**Other Equity**	**Profit**	**Other Equity**	**Profit**	**Other Equity**
Financial Assets								
Cash and cash equivalents	(359)	-	359	-	(318)	-	318	-
Financial liabilities								
Borrowing:								
- term loans	-	-	-	-	-	-	-	-
Total sensitivity to interest rate risk	**(359)**	-	**359**	-	**(318)**	-	**318**	-

Explanation of sensitivity analysis

A movement in interest rates of plus or minus 1% has an effect of $359 (2009: $318) on the investment income earned by the cash and cash equivalents during the period.

20. REMUNERATION

	2010				2009			
	Salary	Short term benefits	Post employment benefits	**Total Remuneration**	Salary	Short term benefits	Post employment benefits	**Total Remuneration**
Marina Manager	102,176	8,024	1,812	**112,012**	102,245	8,024	1,279	**111,548**

Key management personnel compensation

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

	2010	2009
Salaries	145,926	145,995
Short term benefits	8,024	8,024
Post employment benefits	1,812	1,279
Total Remuneration	**155,762**	**155,298**

Remuneration of Board Members	2010	2009
B Jackson (Chairman)	18,750	18,750
A Stewart	12,500	12,500
J Anderson	12,500	12,500
Total	**43,750**	**43,750**

Employee Remuneration

Total remuneration paid or payable	2010	2009
$110,000 - $119,999	1	1
Total employees	**1**	**1**

Severance Payments

There were no severance payments made by the Marina during the year (2009: $nil).

21. INTEREST REGISTER

Bryan Jackson	Board member, Motor Trade Association Guild
	Board member, New Zealand Transport Agency
	Board member, NZ Railways Corporation
	Chairman, Designtex Company Limited
	Chairman, Hutt Hospital Foundation
	Chairman, Jaclan Holdings Limited
	Chairman, Jaclan Investments/Holdings Limited
	Chairman, Seaview Marina Limited
	Chairman, Urban Plus Limited
	Chairman, Vehicle Testing Group Limited
	Chairman, Wellington Water Management Limited (Trading as Capacity)
	Director, ING NZ Pty Limited
	Director, IEF Limited
	Director, Nees Hardware and Building Supplies Limited
	Trustee Te Omanga Hospice Foundation
Arthur Stewart	Contractor to DTZ Limited
	Director, Urbanplus Limited
	Director, Stewart Properties Limited
John Anderson	Managing Director, LG Anderson Limited
	Director, Anderson and Flowers Limited
	Chairman, CenrePac Limited
	Director, Target Logistics Limited
	Director, Conpac (Wellington) Limited
	Director, Wai-iti Trust Limited
	Director, Jamaica Properties

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 2010, the Council charged Seaview Marina Limited accountancy fees $4,000 (2009: $4,000), legal fees $4,000 (2009: $4,000) and rates and water $84,300 (2009: $82,659).

Total advances from Hutt City Council to the Marina outstanding at 30 June 2010 amounted to $2,850,774 (2009: $157,121). 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.

Bryan Jackson is a director of Nees Mitre 10, during the year the Marina purchased goods to the value of $428 (2009: $428) from Nees Mitre 10.

23. CAPITAL COMMITMENTS AND OPERATING LEASES

CAPITAL COMMITMENTS

The Marina had $629,227 (2009: $nil) commitments for capital expenditure, for the Sea Centre, contracted but not provided for as at 30 June 2010.

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:

	2010	2009
Not later than one year	40,937	46,093
Later than one year and not later than five years	-	40,937
Later than five years	-	-
TOTAL NON-CANCELLABLE OPERATING LEASES	**40,937**	**87,030**

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is $nil (2009: $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.

24. CONTINGENT LIABILITIES AND ASSETS

Contingent Assets

As at 30 June 2010 the Marina had no contingent assets (2009: nil).

Contingent liabilities

As at 30 June 2010 the Marina's only contingent liability is a MasterCard credit facility for $10,000 (2009: $10,000).

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 2010 there were no changes in the nature of business of the company which includes the provision 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 $168,680 for the year ended 30 June 2010. This was $76,923 below budget.

Operating costs: there has been an increase from budget of $41,587 this relates to the impairment of $18,308 for the travel lift, an increase in operating contracts of $11,710 mainly relating to increased security monitoring and an increase in other specialists services of $16,129 for non-capital costs associated with the leases of the Sea Centre. These are partly off-set by the decrease in other expenses relating to the budget for the leasing costs being included with the actual expenditure being for legal and other specialist services.

Finance costs: Increased by $37,840, the Marina was expecting to be able to capitalise the interest costs of borrowing.

28. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events after balance date.

STATEMENT OF INTENT PERFORMANCE CRITERIA

1. Achieve a rate of return on shareholders' funds of 6.5% before taxation in the 2009/2010, 2010/2011 and 2011/2012 financial years;

   Not achieved for 2009/10. The rate of return was 4.1%. The development of the Sea Centre impacted on the surplus, as there were a number of unexpected legal and special services expenses and the impairment of the travel lift.

2. Achieve the following capital development programme targets for the marina complex before 30 June 2010:

   a. Complete the development of the Marine Services Centre;

      Not achieved. The majority of the Sea Centre was completed by 30 June 2010, however the Certificate of Completion was not signed off until the 5 August 2010. Suppliers moved in during August and September with the official opening on 7 September 2010.

   b. Investigate the replacement of the marina boat hoist;

      Achieved. An investigation into the purchase of a new boat hoist was completed and because of the strong dollar an order was put in for a 50 tonne Travel Lift boat hoist. This was delivered at the beginning of February 2010 and after assembly, testing and certification was operational in early March 2010.

   c. Review the Business Plan for the next five years (1 July 09 -1 July 2014);

      Not achieved. The business plan was not reviewed during 2009/10 as the Board considered it to be too early to do so while the Sea Centre was being constructed. This process was postponed to the first quarter of the 2010/2011 financial year.

3. Comply with financial, building, technical and regulatory standards;

   Achieved. The Marina operated its business following the guidelines set out in our operating procedures. No issues were encountered during the 2009/2010 year which fell outside these guidelines.

4. Ensure property and asset maintenance is carried out in accordance with asset management plans and to best applicable trade standards and practice;

   Achieved. With a dedicated Maintenance Supervisor the Marina has been able to concentrate on developing and implementing an asset management plan. A five year plan for maintenance of in-water structures is underway.

5. Develop a strategy that will encourage the public to use the current beach and monitor and report the usage back to Hutt City Council.

   Not Achieved. The management attempted to interest a number of funders, including Hutt City Council to assist in the development of the beach area. The Marina, at its own initiative, has invested in a landscape plan for the development of the area around the beach. As for encouraging the public to use the beach little can be done without making it more 'user friendly' and this means implementing the landscape plan. The Marina does not have the capital resources to do this, in particular because it is not part of the land occupied by the Marina.