



Statement of Intent 1 July 2016 to 30 June 2019

March 2016



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1 Purpose

This Statement of Intent covers the years 1 July 2016 to 30 June 2019.

The purpose of this Statement of Intent is to:

- state publicly the activities and intentions of this Council Controlled Trading Organisation (CCTO) for the three years and the objectives to which those activities will contribute
- provide an opportunity for shareholders to influence the direction of the organisation
- provide a basis for the accountability of the Directors to their shareholders for the performance of the organisation.

The Statement of Intent is prepared in accordance with section 64(1) of the Local Government Act 2002.

2 Introduction

Seaview Marina Limited (SML) is responsible for the profitable operation of the marina facilities and services at 100 Port Road, Seaview, as well as for developing the marina to its full potential. SML operates as a CCTO under the Local Government Act 2002 and has one shareholder, the Hutt City Council (HCC).

The SML Board has a strategy to develop SML into the best marina facility in the lower North Island. To achieve this, development of strategic services and facilities has been a key focus and this will continue to be a priority.

SML staff members are committed to this strategy.

3 Background

The marina has operated as a CCTO since 1 April 2003. The site occupies just less than 17 hectares in total, 5 hectares being reclaimed ground and 12 hectares seabed.

The marina is protected by a breakwater, which is not part of the marina business, but owned by the Shareholder. The in-water facilities now include 315 berths accommodating 10m to 20m vessels and 18 pole moorings. On the land there is secure storage for 250 trailer boats and a four lane trailer boat launching ramp.

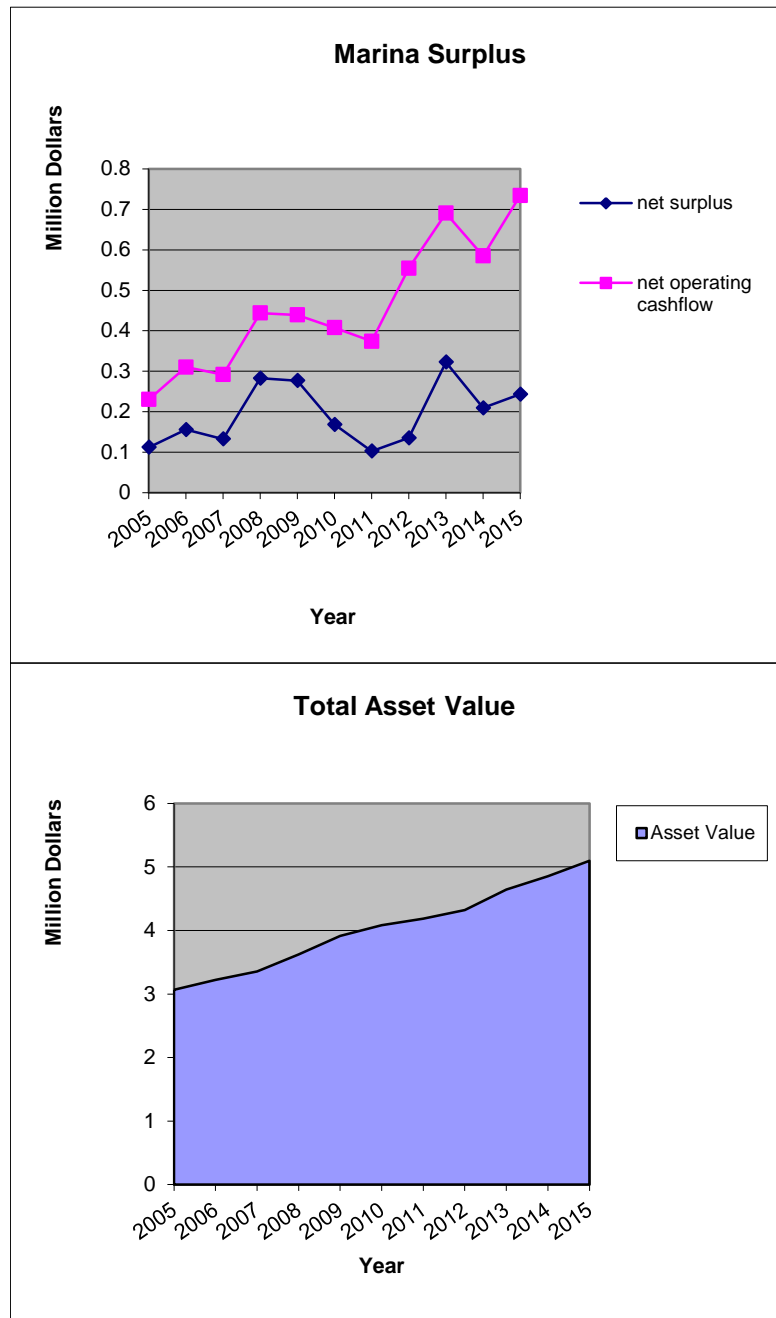
A boatyard provides hardstand storage for up to 32 vessels. A 2000 square metre marine service centre completes the boatyard, with units and workshops providing accommodation for marine related businesses servicing the boating public. A diesel fuel pump is located near the dockway.

The marina is focused on providing safe and secure storage facilities for mainly recreational boats and their servicing. The organisation also provides a base for a number of clubs and interest groups who make use of the facilities and sheltered waters of the marina. These include the Lowry Bay Yacht Club, Yachting New Zealand Have a Go Sailing, the Wellington Radio Controlled Model Yacht Club and Sailability.

The general public are provided with a pleasant recreational environment and walkers and cyclists are frequently found using the marina.

4 Financial History

Since becoming a CCO the marina has returned a profit every year. Our Shareholder has not requested a dividend to date and all profits are invested in further marine developments. The graphs below summarise the marina’s performance since 2005.



5 Strategic Objectives

The SML site is zoned as a Special Recreational Activity area under the City of Lower

Hutt District Plan. Permitted activities include:

- Recreational activities
- Boat building, repairs, sail making and other associated activities
- Parks and reserves
- Lighthouses, navigational aids, and beacons
- Pipelines within the pipeline corridor
- Restaurants and cafes

The full potential of the marina complex has yet to be achieved. SML's Board focus has been to develop the site to provide facilities and services which are lacking elsewhere in the Wellington Region. The immediate aim is to complete the remaining in-water development, where there is potential for approximately another 60 berths at the south end of the marina basin. This will bring the berth capacity to around 380 berths. This development will be done as demand dictates, but it is anticipated that within 3 years full berth capacity will be reached.

In 2015 a longer term vision for the future of Seaview Marina was developed, in conjunction with the HCC. This vision will provide the basis for a submission to achieve changes to the District Plan, in relation to future developments at the marina. The ability to enhance the marine and recreational facilities and services at the marina requires a more flexible set of planning conditions. The vision included the 3D perspective of the marina showing what it could look like in the future, as shown below.



The vision for SML over the next 20 years is to maintain the primary focus of a

marine storage and service facility for Wellington. However, the aim will also be to incorporate a wider range of services and facilities, as well as enhancing the area with improved landscaping and 'public friendly' spaces. Alternative uses of the existing land area could see trailer boat dry stack storage, more retail facilities and the possibility of limited integrated apartments.

An important issue confronting the Board is the renewal of the Seabed License, which expires in 2027. Once this has been renewed for a further 35 year period the marina will be well positioned to provide the shareholder with a facility where the cash flow and capital value can be maximised. At this stage the shareholder will be in a position to make a decision on how to extract value from the facility, should they ever wish to do so.

6 Mission Statement

The SML Mission Statement is:

'To be the centre for recreational marine activities and facilities in the Wellington region.'

This will be achieved by:

- Completing the development of high quality marina berths, as demand dictates.
- Achieve this development at no burden to the Lower Hutt rate payers.
- Operating a first class boat launching ramp.
- Providing boat haul out services and storage for maintenance and repair of vessels.
- The provision of 'on-site' services and facilities to attract marine support businesses to the marina.
- Developing the site for general recreation by local, national and international visitors.
- Operating the marina within Health and Safety guidelines
- To provide an area for general recreation and enjoyment for the ratepayers of the Hutt City.
- Providing a first class client experience.

7 Business objectives

SML's principal objectives are:

- to operate as a successful safe business, returning benefits to shareholders.
- to exhibit a sense of social and environmental responsibility by having regard to the interests of the community and to conduct its affairs in accordance with sound business practice.
- Provide a first class service to SML's licensees, tenants, casual users, contractors and the general public.

These objectives align with Section 59 of the Local Government Act 2002, which details the principal objectives of Council Controlled Trading Organisations

In order to meet these objectives we focus our work on asset planning and development, capital project management, operations management, risk

management, health and safety, environmental issues, strategic direction and corporate governance.

8 Nature and scope of activities

The Board and Management of Seaview Marina operate within tight guidelines both operationally and with development projects. Annual budgets are set and capital projects planned. The Board monitors both the financial and capital expenditure, on a monthly basis. Seaview Marina reports on a six monthly basis to the Hutt City Council.

Below is a summary of SML activities:

Activity	Nature	Scope	Measurement
Provision of services	The marina provides facilities and services for recreational and some small commercial vessels. The aim is to be a 'one stop' facility.	<ul style="list-style-type: none"> Lease in-water berths Lease trailer boat dry storage Lease of Wellington Marine Centre office and workshop space to marine related services Lift vessels to and from the water Lease of hardstand and boat cradle facilities Boat Ramp Live-aboard facilities 	<ul style="list-style-type: none"> Achieve budgeted income targets for each category.
Maintenance	The marina is located in a harsh marine environment which is subject to strong winds from both the north west and the south. With a large capital component in floating berths, maintenance is a critical issue.	<ul style="list-style-type: none"> Programming maintenance schedules for each category of asset under SML's control Inspection of all assets on a prescribed schedule Provision of maintenance work either by contractors or by SML staff Review of the industry knowledge with regards to maintenance Where necessary replacement of worn or damaged facilities 	<ul style="list-style-type: none"> Achieve annual asset management plan objectives.
Monitoring/Compliance	Monitoring all aspects of the marinas operation provides the management and Board information to maintain the marina in good heart and in compliance with all regulatory requirements.	<ul style="list-style-type: none"> Health and Safety Client service survey results Trade waste monitoring MAF surveys within the marina 	<ul style="list-style-type: none"> Report to fortnightly management meeting and report to monthly board meeting Biennial survey (Feb 2016) Six monthly testing As prescribed by MAF scientists (normally annually)
Management	Ensure timely and efficient delivery of facilities and services to our clients coupled with necessity to provide the ROE required by the shareholder.	<ul style="list-style-type: none"> Project management Service delivery Improvement opportunities Staff management Financial performance 	<ul style="list-style-type: none"> Achieved against Board established targets
Development	The Marina has the capacity to provide further storage and service facilities. Development also includes improving the aesthetics of the general environment.	<ul style="list-style-type: none"> Completion of the in water marina berth capacity, which will be around 380 berths. Additional on shore facilities as required as the vessel numbers grow. Possible expansion of both covered and uncovered trailer boat storage onto adjacent available areas along Port Road Joint venture opportunities with clubs or service providers where applicable 	<ul style="list-style-type: none"> The SML Strategic Plan provides targets for completion of each of the strategic developments. Management and staff will be monitored on the project management of achieving the completion of these projects
Public Access	SML is required under the District Plan to provide public access to the Marina land area. It is used extensively by walkers and bikers as a link between the Hutt River Trail to the west and the Eastern Bays to the east.	<ul style="list-style-type: none"> Continue the designated walkway through the marina joining the two existing walkways Provide facilities and landscaping to encourage the use of the marina by the general public 	<ul style="list-style-type: none"> Establish a walkway around the water's edge of the central causeway, including landscaping and upgrades of public facilities. Timing of the stages of this development detailed in the 2015//2016 Strategic Plan.

9 Key performance indicators

In line with the scope of activities outlined in Section 5 the Board has set up a number of key performance indicators for the 2016, 2017 and 2018 financial years. The management and staff are monitored on these criteria over the course of the year. The success of Seaview Marina will be measured against how well these are achieved.

Key performance indicators	Target			Reporting frequency
	2016/2017	2017/2018	2018/2019	
Maintain asset management plans annually as detailed in the operational plan. Completion of maintenance programme	100% Completion by 30 June.	100% Completion by 30 June.	100% Completion by 30 June.	Annually
Deliver the annual budgeted net surplus.	As detailed in the 2016/2017 operational plan	As detailed in the 2017/2018 operational plan	As detailed in the 2018/2019 operational plan	Annually
Manage and operate SML within approved budget.	Net Surplus \$354k	Net Surplus \$263k	Net Surplus \$360k	6 monthly
Provide an agreed minimum return on equity (ROE) (after depreciation and tax) to the Hutt City Council	5.0%	4.6%	5.0%	Annually
Achieve excellent customer satisfaction, including all licensees, casual users of the marina and the general public	February 2016 target 85% satisfaction rating	No survey this year	February 2016 target 85% satisfaction rating	Every two years
Comply with financial, technical and regulatory standards	Full compliance	Full compliance	Full compliance	6 Monthly
Achieve the capital development projects as detailed in the 2015/2016 Strategic Plan	Complete internal pathway development	Complete stage one of the commercial development	Complete commercial development and purchase the breakwater	Annually
Operate SML so that no notifiable Health and Safety incidents occur	100% compliant	100% compliant	100% compliant	Monthly

10 Health and Safety

Health and safety is a high priority for the Board and staff of SML.

SML operates within an on-going regime of risk identification and mitigation, to cover our employed staff, our contracted trades companies and their employees, as well as our licensees. A policy of 'zero tolerance' on avoidable and unnecessary risk has been adopted.

Formal reporting on health and safety is a permanent agenda item at the fortnightly SML staff meetings and at the monthly SML Board meetings.

11 Three year development plan

Expanding the berth and storage facilities will remain the focus for development on the SML site. This development will be targeted to anticipated demand for the facilities. Management will be required closely monitor demand patterns for all SML facilities and make recommendations based on sound trends.

Over the next three years SML is committed to continuing the development of the marina while maintaining the ROE agreed with the Shareholder. It is planned to complete the next sixty berths, including 20 commercial berths and a floating fuel facility within this period. At this time the income from the marina will be optimised and the shareholder will own an asset which will provide strong cash flows into the future. While the breakwater is owned by the Hutt City Council it is anticipated that a transfer will be made of this asset, at an agreed price, to SML.

Another strategic issue will be the renewal of the Seabed License, which expires in April 2027. The maximum renewal period is for 35 years. With this renewed, the breakwater ownership resolved and the in-water development completed the Shareholder will have a very valuable asset.

The relationship with the Shareholder will, of necessity, remain close as services such as payments, maintenance of the general ledger and financial reporting are provided by the Finance and Accounts Departments of the Hutt City Council under a service level agreement.



An important focus will be on expanding the facilities for the general public. Upgrading the pedestrian and cycling areas, to make it more attractive, will be a key focus over the next three years. Addition of seating, pathways and landscaping is planned.

12 Financial Forecasts

The Board will continue to reinvest in the marina using profits and existing credit facilities to fund future developments. The Board continues to repay debt and maintain current facilities in accordance with asset management plans.

Period Ended 30 June:	2016-17 B	2017-18 B	2018-19 B
Total Revenue	2,064,173	2,114,839	2,173,887
Total Expenditure	1,710,170	1,851,712	1,814,215
Net Surplus/(Deficit)	354,003	263,127	359,672
Total Assets	10,157,902	11,851,151	11,488,400
Total Liabilities	4,444,522	5,874,644	5,152,221
Total Equity	5,713,380	5,976,507	6,336,179

Detailed financial projections for Seaview Marina, including the capital development program are shown in Appendix 1.

13 Corporate Governance

This statement provides an overview of SML's main corporate governance policies, practices and processes adopted by the Board.

13.1 The Board of Directors

The board of directors consists of three members. They are responsible for the proper direction and control of SML.

To ensure that SML has the continuity of the relevant knowledge, skills and experience, the expiry dates of their terms of office vary for each director. Each director may serve a maximum of three terms. Each term is three years.

Unanimous approval of the Board is required for:

- 13.1.1. significant changes to the company's structure
- 13.1.2. extraordinary transactions (entering into any contract or transaction except in the ordinary course of business)
- 13.1.3. delegation of Directors' powers to any person
- 13.1.4. any decision to diversify into a business not forming part of or being naturally ancillary to the core business of managing water services
- 13.1.5. major transactions including establishment and renewal of contracts for delivery of services
- 13.1.6. disputes (commencing or settling any litigation, arbitration or other proceedings which are significant or material to the company's business)

- 13.1.7. borrowings in a manner that materially alter the company's banking arrangements, advancing of credit (other than normal trade credit) exceeding \$5,000 to any person except for making deposits with bankers, or giving of guarantees or indemnities to secure any person's liabilities or obligations
- 13.1.8. sale of assets (sell or dispose of fixed assets for a total price per transaction exceeding \$100,000 or a series of aggregated transactions exceeding \$200,000)
- 13.1.9. capital expenditure (other than in the ordinary course of doing business) at a total cost to the company, per transaction, exceeding \$100,000 or a series of aggregated transactions exceeding \$200,000.

The agreement of the Shareholder is required for:

- 13.1.10. any changes to the constitution
- 13.1.11. any increases in capital and the issue of further securities, share buybacks and financial assistance
- 13.1.12. any alteration of rights attaching to shares
- 13.1.13. any arrangement, dissolution, reorganisation, liquidation, merger or amalgamation of the company
- 13.1.14. any "major transactions" as that term is defined in the Companies Act 1993.

13.2 Ratio of consolidated shareholders' funds to total assets

Ownership of infrastructural assets is retained by the shareholder (or other clients). As a business that returns all benefits to shareholders, a statement of the ratio of shareholders' funds to assets is not considered appropriate.

13.3 Accumulated profits and capital reserves

Seaview Marina returns all financial benefits to its shareholder through increases in the capital value of the marina. All trading profits are retained by Seaview Marina and invested in the strategic development programme.

13.4 Information to be provided to shareholders

In each year SML shall comply with the reporting requirements under the Local Government Act 2002 and the Companies Act 1993 and regulations. In particular SML will provide:

Statement of Intent

A statement of intent detailing all matters required under the Local Government Act 2002, including financial information for the next three years.

Half Yearly report

Within two months after the end of the first half of each financial year, the Company shall provide a report on the operation of SML to enable an informed assessment of its performance, including financial statements (in

accordance with section 66 of the LGA 2002).

Annual report

Within three months after the end of each financial year, SML will provide an annual report which provides a comparison of its performance with the statement of intent, with an explanation of any material variances, audited consolidated financial statements for that financial year, and an auditors report (in accordance with section 67, 68 and 69 of the LGA 2002).

13.5 Compensation from Local Authority

It is not anticipated that the company will seek compensation from the Hutt City Council other than in the context of normal commercial contractual relationships.

13.6 Commercial value of the shareholders' investment

The net value of the shareholders' investment in the company is estimated to be valued at \$4,853,951 as at 30 June 2014. This value shall be assessed by the Directors on completion of the annual accounts or at any other time determined by the Directors. The method of assessment will use the value of shareholders' funds as determined in the annual accounts as a guide.

14 Statement of accounting policies

Basis of preparation

SML will apply the following accounting policies consistently during the year and apply these policies to the Statement of Intent. In accordance with the New Zealand Institute of Chartered Accountants Financial Reporting Standard 42 (FRS 42), the following information is provided in respect of the Statement of Intent.

Measurement base

The measurement basis applied is historical cost.

The accrual basis of accounting has been used unless otherwise stated. These financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless otherwise stated.

Cautionary note

Prospective financial information

The statement of intent's forecast financial information is prospective. Actual results are likely to vary from the information presented, and the variations may be material.

Nature of prospective information

The financial information presented consists of forecasts that have been prepared on the basis of best estimates and assumptions on future events that Seaview Marina expects to take place.

Statement of compliance with International Financial Reporting Standard

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with New Zealand equivalents to International Financial reporting Standards (NZIFRS) and other applicable financial reporting standards, as appropriate for public benefit entities.

Reporting entity

SML is a company registered under the Companies Act 1993 and a Council Controlled Organisation as defined by Section 6 of the Local Government Act 2002. The current shareholder is the Hutt City Council.

The financial statements have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993 and the Local Government Act 2002.

For the purposes of financial reporting SML is a public benefit entity.

Reporting period

The reporting period covers the 12 months from 1 July 2016 to 30 June 2017. Comparative projected figures for the year ended 30 June 2018 and 30 June 2019 are provided.

Early adopted amendments and revisions to standards

The following amendments and revision to standards have been early adopted.

NZ IFRS 7 Financial Instruments: Disclosures – The effect of early adopting these amendments in the following information is no longer disclosed:

- The carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated; and
- The maximum exposure to credit risk by class of financial instrument if the maximum credit risk exposure is best represented by their carrying amount.

NZ IAS 24 Related Party Disclosures (Revised 2009) – The early adoption of NZ IAS 24 has had no effect on related party disclosures.

NZ IFRS 9 Financial Instruments has not been adopted. NZIFRS 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 assets (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 or deficit.

Judgements and estimations

The preparation of financial statements in conformity with NZ IFRS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Where material, information on the major assumptions is provided in the relevant accounting policy or will be provided in the relevant note to the financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes.

Significant accounting policies

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

a) Revenue

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

Revenue is recognised when earned and is reported in the financial period to which it relates.

b) Expenses

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

c) Taxation

Income tax expense is charged in the statement of financial performance in respect of the current year's earnings after allowing for permanent differences. Deferred taxation is determined on a comprehensive basis using the liability method.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes.

d) Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

e) Financial instruments

SML classifies its financial assets and financial liabilities according to the purpose for which the investments were acquired. Management determines the classification of

its investments at initial recognition and evaluates this designation at every reporting date.

Financial assets

SML classifies its investments into the following categories: financial assets at fair value through profit and loss and loans and receivables.

Loans and receivables comprise cash and cash equivalents, trade and other receivables.

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, and call deposits with up to three months maturity from the date of acquisition. These are recorded at their nominal value.

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. Trade and other receivables are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date for loans of a similar maturity and credit risk. Trade and other receivables issued with duration of less than 12 months are recognised at their nominal value. Allowances for estimated irrecoverable amounts are recognised when there is objective evidence that the asset is impaired.

Financial liabilities

SML classifies its financial liabilities into the following categories: financial liabilities at fair value through profit and loss or other financial liabilities.

Financial liabilities comprise trade and other payables and borrowings. Financial liabilities with duration of more than 12 months are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method. Amortisation is recognised in the statement of financial performance as is any gain or loss when the liability is derecognised. Financial liabilities entered into with duration of less than 12 months are recognised at their nominal value.

f) *Property, plant and equipment*

Recognition

Property, plant and equipment consist of operational assets. Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits over the total life of an existing asset and can be measured reliably. Costs that do not meet the criteria for capitalisation are expensed.

Measurement

Items of property, plant and equipment are initially recorded at cost.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and that can be measured reliably is capitalised.

Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in the statement of financial performance.

Disposal

Gains and losses arising from the disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the statement of financial performance in the period in which the transaction occurs.

Depreciation

Depreciation is provided on all property, plant and equipment, except for assets under construction (work in progress). Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The depreciation rates of the major classes of property, plant and equipment are as follows:

Telephone system	10.75 per cent
Furniture	7.80–18.60 per cent
Plant and equipment	7.80–48.0 per cent
Buildings	75 years

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance date.

Work in progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and then depreciated.

g) Intangible assets

Acquired intangible assets are initially recorded at cost.

Intangible assets with finite lives are subsequently recorded at cost less any amortisation and impairment losses. Amortisation is charged to the statement of financial performance on a straight-line basis over the useful life of the asset. Typically, the estimated useful lives of these assets are as follows:

Computer software five years

Realised gains and losses arising from disposal of intangible assets are recognised in the statement of financial performance in the period in which the transaction occurs. Intangible assets are reviewed at least annually to determine if there is any indication of impairment. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported in the statement of financial performance.

h) Employee benefits

A provision for employee benefits (holiday leave) is recognised as a liability when benefits are earned but not paid. These include salaries and wages accrued up to balance date.

Holiday leave is calculated on an actual entitlement basis at the greater of the average or current hourly earnings in accordance with sections 16(2) and 16(4) of the Holidays Act 2003.

i) Other liabilities and provisions

Other liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

j) Equity

Equity is the shareholders' interest in the entity and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses of equity within the entity.

The components of equity are accumulated funds and retained earnings.

k) Leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items, are classified as operating leases. Payments made under these leases are charged as expenses in the statement of financial performance in the period in which they are incurred. Payments made under operating leases are recognised in the statement of financial performance on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of financial performance as an integral part of the total lease payment. Leases, which effectively transfer to the lessee substantially all the risks and benefits incident to ownership of the leased item, are classified as finance leases.

l) Statement of cash flows

The statement of cash flows has been prepared using the direct approach.

Operating activities include cash received from all income sources of the company and

a record of the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to activities that change the equity and debt capital structure of the company.

m) Related parties

A party is related to SML if:

- directly or indirectly through one or more intermediaries, the party:
 - controls, is controlled by, or is under common control with SML
 - has an interest in SML that gives it significant influence over the control of the company
 - has joint control over SML
- the party is an associate of SML
- the party is a director of SML
- the party is a member of key management personnel of SML
- the party is a close member of the family of any individual referred to above
- the party is an entity controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to above.

Directors' remuneration is any money, consideration or benefit received receivable or otherwise made available, directly or indirectly, to a Director during the reporting period. Directors' remuneration does not include reimbursement of legitimate work expenses or the provision of work-related equipment such as cell phones and laptops.

12 Directory

Directors

Brian Walshe (Chairman)
Arthur Stewart
Chris Milne

Telephone

64 4 5683736

Web

www.seaviewmarina.co.nz

Chief Executive

Alan McLellan

Auditor

Audit New Zealand on behalf of the Auditor-General

Registered office

100 Port Road
Seaview
Lower Hutt
New Zealand

Bankers

Westpac New Zealand Limited
Lower Hutt
New Zealand

Postal address

Private Bag 33 230
Petone 5045
Lower Hutt

Solicitors

Thomas Dewar Sziranyi Letts
Level 2, Corner Queens Drive and

Margaret Street
Lower Hutt

New Zealand

APPENDIX 1: 2014 to 2018 FINANCIAL PROJECTIONS

	2014-15 A	2015-16 B	Forecast	2016-17 B	2017-18 B	2018-19 B
Net Diesel sales	16,969	11,000	16,000	11,000	11,000	11,000
Rentals	240,758	282,299	250,000	302,424	305,448	308,502
Ramp Income	35,153	35,000	35,000	35,000	35,000	35,000
Boat Storage	1,245,933	1,390,654	1,342,740	1,497,466	1,540,488	1,591,723
Hardstand	161,171	170,000	170,000	154,000	158,620	163,379
Live Aboard	36,847	35,000	45,000	54,283	54,283	54,283
Insurance Claim Proceeds	14,731	0	0	0	0	0
Miscellaneous Income	18,978	10,000	17,014	10,000	10,000	10,000
Revenue Total	1,770,541	1,933,953	1,875,754	2,064,173	2,114,839	2,173,887
Employee Costs	318,113	301,965	311,000	320,011	320,011	320,011
Insurance	109,692	118,189	124,136	129,996	129,996	129,996
Security	97,026	97,056	100,500	100,000	100,000	100,000
Maintenance	65,538	37,700	37,700	35,950	35,950	35,950
Operating Costs	387,659	416,500	416,500	410,166	414,079	418,228
Financial Costs	177,496	268,477	218,477	268,477	374,925	327,279
Expense Total	1,155,523	1,239,887	1,208,313	1,264,600	1,374,961	1,331,464
Comprehensive Income Before Depreciation	615,017	694,066	667,441	799,573	739,878	842,423
Depreciation and amortisation	371,718	379,230	405,262	445,570	476,751	482,751
Total Comprehensive Income	243,300	314,836	262,179	354,003	263,127	359,672
		ROE:	5.1%	6.6%	4.6%	6.0%

Three Year Capital Programme

Capital Programme	2016-2017	2017-2018	2018-2019
Commercial Pier & Fuel Wharf	1,800,000	0	0
Final Stage Ped Walkway	75,000	0	0
Nth Berths on H Pier	300,000	0	0
Backfill H Pier & Add I Pier & Berths	0	1,000,000	0
Purchase Breakwater from HCC	0	1,150,000	0
Install Pier Gates Piers A to E	0	0	100,000
Miscellaneous	20,000	20,000	20,000
Effluent Pump	13,000		
	2,208,000	2,170,000	120,000