



**WELLINGTON WATERFRONT LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**Wellington Waterfront Limited  
August 2008**

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## DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the financial statements and ensuring that they comply with New Zealand generally accepted accounting practice and give a true and fair view of the financial position of Wellington Waterfront Limited as at 30 June 2008 and the results of its operations and cash flows for the year ended on that date.

The Directors consider that the financial statements of Wellington Waterfront Limited have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of Wellington Waterfront Limited, and facilitate compliance of the financial statements with the Financial Reporting Act 1993.

The Directors consider that they have taken adequate steps to safeguard the assets of Wellington Waterfront Limited, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

**The Directors are pleased to present the financial statements of Wellington Waterfront Limited for the year ended 30 June 2008.**

For and on behalf of the Board of Directors:

  
M Cashin  
Chair  
August 2008

  
Director

**AUDIT REPORT****TO THE READERS OF  
WELLINGTON WATERFRONT LIMITED'S  
FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION  
FOR THE YEAR ENDED 30 JUNE 2008**

The Auditor-General is the auditor of Wellington Waterfront Limited (the company). The Auditor-General has appointed me, A P Burns, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company, on his behalf, for the year ended 30 June 2008.

**Unqualified Opinion**

In our opinion:

- The financial statements of the company on pages 7 to 19:
  - comply with generally accepted accounting practice in New Zealand and;
  - give a true and fair view of:
    - the company's financial position as at 30 June 2008; and
    - the results of its operations and cash flows for the year ended on that date.
- The performance information of the company on pages 20 to 23 gives a true and fair view of the achievements measured against the performance targets adopted for the year ended 30 June 2008.
- Based on our examination the company kept proper accounting records.

The audit was completed on 21 August 2008, 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 2008 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 2008. 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 Institute of Chartered Accountants of New Zealand.

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

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

A P Burns  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand

**Wellington Waterfront Limited**  
**Statement of Significant Accounting Policies**  
**For the Year Ended 30 June 2008**

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**Nature of entity**

Wellington Waterfront Limited is 100% owned by Wellington City Council. It is a council-controlled organisation as defined by Part 1, section 6 of the Local Government Act 2002 and a company incorporated under the Companies Act 1993. Wellington Waterfront Limited manages the Wellington Waterfront Project for the Wellington City Council.

**Basis of preparation**

These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with NZ International Financial Reporting Standards (NZ IFRS) and other applicable financial reporting standards as appropriate for public benefit entities (PBE).

Wellington Waterfront Limited is a PBE for the purposes of NZ IFRS and has elected to take advantages of certain exemptions within the individual NZ IFRS. These exemptions have been taken only where practicable and necessary with the intention to efficiently and cost effectively manage the impact of the transition upon the Wellington Waterfront Limited.

**Measurement base**

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by Wellington Waterfront Limited, with the exception of certain assets which are valued in accordance with the policies stated below.

The financial statements are presented in New Zealand dollars and are rounded to the nearest thousand.

**Specific accounting policies**

The following specific accounting policies which materially affect the measurement of financial performance and the financial position have been applied.

***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. Bank overdrafts are shown within borrowings as a current liability in the statement of financial position.

***Financial instruments***

The Company is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term deposits, receivables and payables. All financial instruments are recognised in the statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the statement of financial performance.

***Revenue***

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

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***Trade and Other receivables***

Receivables are stated at expected realisable value after providing for doubtful and uncollectable debts.

A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

***Investments***

Investments are stated at the lower of cost and net realisable value. Any decreases are recognised in the statement of financial performance.

Investments in bank deposits are initially measured at fair value plus transaction costs.

After initial recognition investments in bank deposits are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance.

At each balance sheet date the Company assesses whether there is any objective evidence that an investment is impaired. Any impairment losses are recognised in the statement of financial performance.

***Property, Plant and Equipment***

Wellington Waterfront Limited has two classes of property, plant and equipment; motor vehicles and office equipment. All property, plant and equipment are recorded at cost.

When an item of property, plant or equipment is disposed of, any gain or loss is recognised in the statement of financial performance and is calculated as the difference between the sale proceeds and the carrying value of the item.

Depreciation is provided for on a diminishing value (DV) basis at tax rates.

Motor vehicles	31.2% DV
Office and computer equipment	9% – 60% DV

***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, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease.

**Leases**

Wellington Waterfront Limited lease certain plant and equipment. All leases are operating leases. Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the lease items, are included in the determination of the net surplus in equal instalments over the period of the lease.

**Goods and Services Tax**

The financial statements have been prepared exclusive of GST with the exception of receivables and payables which are stated GST inclusive.

**Taxation**

Income tax expense comprises both current tax and deferred tax, and is calculated using tax rates that have been enacted or substantively enacted by balance date.

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.

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.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current tax and deferred tax is charged or credited to the statement of financial performance, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

***Statement of cash flows***

For the purpose of the statement of cash flows, cash includes cash on hand and deposits held with banks.

Operating activities include cash received from all income sources and records the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise capital injections by, or repayment of capital to, Wellington City Council.

***Employee entitlements***

A liability for annual leave is accrued and recognised in the statement of financial position. The annual leave liability has been calculated on an actual entitlement basis at current rates of pay.

***Commitments***

Future expenses and liabilities to be incurred on contracts that have been entered into at balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

***Contingencies***

Contingent liabilities are disclosed at the point at which the contingency is evident.

***Changes in accounting policies***

There have been no changes in accounting policies. All accounting policies have been applied on a consistent basis throughout the year.

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**Wellington Waterfront Limited**  
**Statement of Financial Performance**  
**For The Year Ended 30 June 2008**

	Note	2008 \$000's	2007 \$000's
<b>Income</b>			
Management fees		1,557	1,665
Interest		30	33
<b>Total income</b>		<b>1,587</b>	<b>1,698</b>
<b>Expenses</b>			
Personnel costs		1,053	1,203
Administration		174	165
Audit fees - statutory audit		17	12
Directors' fees	13	224	225
Depreciation	1	17	10
Rental and operating lease costs		15	19
Other corporate costs		2	1
<b>Total expenses</b>		<b>1,502</b>	<b>1,635</b>
<b>Net surplus before subvention</b>		<b>85</b>	<b>63</b>
<b>Subvention payment</b>		<b>(85)</b>	<b>(63)</b>
<b>Net surplus before taxation</b>		<b>-</b>	<b>-</b>
<b>Income tax expense</b>		<b>-</b>	<b>-</b>
<b>Net surplus / (deficit) after tax</b>		<b>-</b>	<b>-</b>

**Wellington Waterfront Limited  
Statement of Changes in Equity  
For The Year Ended 30 June 2008**

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	2008 \$000's	2007 \$000's
Equity brought forward as at 1 July	62	62
Net surplus / (deficit)	<u>-</u>	<u>-</u>
Total recognised revenues and expenses	<u>-</u>	<u>-</u>
Equity as at 30 June	<u>62</u>	<u>62</u>

**Wellington Waterfront Limited**  
**Statement of Financial Position**  
**As at 30 June 2008**

	Note	2008 \$000's	2007 \$000's
<b>Current assets</b>			
Cash and cash equivalents	5	246	437
Trade and other receivables	6	17	11
GST Receivable		6	3
Prepayments		17	18
Tax receivable	4	13	10
Advance - Wellington Waterfront Project		1	1
		<b>300</b>	<b>480</b>
<b>Non current assets</b>			
Property, plant and equipment	1	48	41
		<b>48</b>	<b>41</b>
<b>Total assets</b>		<b>348</b>	<b>521</b>
<b>Current liabilities</b>			
Trade and other payables	7	38	16
Employee benefit liabilities	8	155	208
Management fee in advance		93	235
		<b>286</b>	<b>459</b>
<b>Equity</b>			
Paid up capital		1	1
Retained earnings		61	61
		<b>62</b>	<b>62</b>
<b>Total funds employed</b>		<b>348</b>	<b>521</b>

**Wellington Waterfront Limited**  
**Statement of Cash Flows**  
**For the Year Ended 30 June 2008**

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	Note	2008 \$000's	2007 \$000's
<b>Cash flows from operating activities:</b>			
<i>Cash was provided from:</i>			
Management fee		1,424	1,975
Interest received		27	29
Net goods and services tax received / (paid)		(3)	(59)
<i>Cash was disbursed to:</i>			
Payment of suppliers		(248)	(178)
Income tax subvention payment		(85)	(63)
Income tax paid		(3)	-
Salaries and wages		(1,053)	(1,203)
Directors' fees		(226)	(225)
<b>Net cash flows generated from (used in) operating activities</b>	9	<b>(167)</b>	<b>276</b>
<b>Cash flows from investing activities:</b>			
<i>Cash was disbursed to:</i>			
Purchase of fixed assets		(24)	(13)
<b>Net cash flows used in investing activities</b>		<b>(24)</b>	<b>(13)</b>
Net (decrease)/increase in cash held		(191)	263
Cash at the beginning of the year		437	174
Cash at the end of the year		246	437
<b>Represented by:</b>			
Cash		246	437
Total cash		246	437

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

1. Property, plant and equipment	2008 \$000's	2007 \$000's
<b>Motor Vehicle</b>		
Motor Vehicle - at cost	14	14
Less accumulated depreciation	<u>(12)</u>	<u>(11)</u>
Motor Vehicle - opening balance	2	3
Additions	0	0
Disposals	0	0
Depreciation expense	<u>(1)</u>	<u>(1)</u>
<b>Motor Vehicle- closing balance</b>	<u>1</u>	<u>2</u>
<b>Office and computer equipment</b>		
Office and computer equipment - at cost	88	76
Less accumulated depreciation	<u>(49)</u>	<u>(40)</u>
Office and computer equipment - opening balance	39	36
Additions	24	12
Disposals	0	0
Depreciation expense	<u>(16)</u>	<u>(9)</u>
<b>Office and computer equipment- closing balance</b>	<u>47</u>	<u>39</u>
<b>Total property, plant and equipment</b>	<u>48</u>	<u>41</u>

**2. Related party transactions**

Wellington Waterfront Limited is wholly owned by Wellington City Council and received a management fee of \$1,650,000 (of which \$93,000 was revenue relating to the 2008/09 year) from Wellington City Council to meet its operating costs (2007 \$1,900,000 of which \$235,000 was revenue relating to the 2007/08 year).

Wellington Waterfront Limited has on advance \$1,000 (2007 \$1,000) to Lambton Harbour Development Project. The advance is repayable on demand.

Land, buildings and leasehold interests in land held by the company as bare trustee for the Wellington City Council have not been incorporated in these financial statements but are included in the financial statements of Lambton Harbour Development Project.

Other assets, including shares in Chaffers Marina Holdings Limited, and liabilities held by the company on behalf of Lambton Harbour Development Project have also been reflected in the financial statements of Lambton Harbour Development Project.

WWL's Corporate Manager, Mr Chris Fox, resigned as company secretary of Chaffers Marina Holdings Limited and Chaffers Marina Limited on 29 October 2007.

3. Taxation	2008 \$000's	2007 \$000's
Net surplus (deficit) before tax	<u>-</u>	<u>-</u>
Tax at 33%	-	-
<i>Add (less) tax effect of</i>		
Non-deductible expenditure	29	22
Temporary differences not recognised	2	9
Tax loss utilised	-	-
Group loss offset	<u>(31)</u>	<u>(31)</u>
Future tax benefit not brought to account	-	-
Tax expense (benefit)	<u>-</u>	<u>-</u>
Current tax	-	-
Deferred tax	<u>-</u>	<u>-</u>

A deferred tax asset has not been recognised in relation to deductible temporary differences of \$95,000 (2007: \$97,000)

**4. Imputation credit account**

Opening balance 1 July	10	4
Tax refund	(3)	0
Tax paid	<u>6</u>	<u>6</u>
Closing balance 30 June	<u>13</u>	<u>10</u>

**Wellington Waterfront Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2008**

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	2008 \$000's	2007 \$000's
<b>5. Cash and cash equivalents</b>		
Cash at bank and on hand	246	27
Short term deposit maturing within three months of balance date.	-	410
<b>Total cash and cash equivalents</b>	<u>246</u>	<u>437</u>
<b>6. Trade and other receivables</b>		
Accounts receivable	17	11
Other receivables	-	-
	<u>17</u>	<u>11</u>
less provision for impairment / doubtful debts	-	-
<b>Total trade and other receivables</b>	<u>17</u>	<u>11</u>
Analysis of trade and other receivables		
Not past due	17	11
Past due 0-3 months	-	-
Past due 3-6 months	-	-
Past due more than 6 months	-	-
<b>Total trade and other receivables</b>	<u>17</u>	<u>11</u>
There are no impairment disclosures as all receivables are considered collectable.		
<b>7. Trade and other payables</b>		
Trade payables	18	10
Audit accrual	14	-
ACC	6	5
	<u>38</u>	<u>15</u>
<b>8. Employee benefit liabilities</b>		
Accrued salaries and wages	85	130
Annual leave	70	78
	<u>155</u>	<u>208</u>

**Wellington Waterfront Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2008**

	2008 \$000's	2007 \$000's
<b>9. Reconciliation of net surplus with net cash flows from operations</b>		
Net surplus / (deficit)	<u>-</u>	<u>-</u>
<i>Add (less) non cash items</i>		
Depreciation	17	10
<i>Add (less) movements in working capital items</i>		
Increase / (Decrease) in receivable/prepayments	(11)	575
Increase / (Decrease) in accounts payable	(31)	(70)
Increase / (Decrease) in management fee paid in advance	(142)	(240)
Net cash flows from operating activities	<u>(167)</u>	<u>275</u>

**10. Contingent asset and Contingent liability**

There are no contingent assets at 30 June 2008. At 30 June 2007 there was a contingent asset of \$889,000 plus interest and costs arising from a summary judgment against Contractors Bonding Limited. The contingent asset was paid in full during 2007/08. There are no contingent liabilities at 30 June 2008. Wellington Waterfront Limited won two summary judgments in the High Court against Construction Service Company (Wellington) Limited (In Receivership) in relation to work on Waitangi Park and has removed the contingent liability (2007 \$1.138 million).

**11. Commitments**

*Capital commitments*

There are no capital commitments as at 30 June 2008 (2007 nil).

*Operating lease commitments*

Non cancellable operating lease commitments - as lessee

Not later than one year	6	8
Later than one year and not later than five years	1	1
Later than five years	-	-
Total non-cancellable operating lease commitments - as lessee	<u>7</u>	<u>9</u>

**12. Directors' interests**

No new entries were made in the Interests Register during the year (that conflicted with WWL interests).

During the year the Board received no notices from Directors requesting to use company information received in their capacity as Directors which would not otherwise have been available to them.

During the year none of the Directors acquired or disposed of shares in Wellington Waterfront Limited.

Directors liability insurance was paid on behalf of the Directors by Wellington Waterfront Limited.

**13. Directors' fees**

The Directors' received the following remuneration from Wellington Waterfront Limited during the year.

Name	2008 \$	2007 \$
Ray Ahipene-Mercer	24,006	25,000
Michael Cashin	45,833	25,000
Robert Gray	20,833	-
David Kernohan	25,000	25,000
Stephen Kos	25,000	25,000
Mark Petersen	25,000	25,000
David Pritchard	25,000	25,000
Alison Timms	25,000	25,000
Fran Wilde	8,333	50,000
Total Directors' fees	<u>224,005</u>	<u>225,000</u>

**14. Key management personnel compensation**

Salaries and other short-term employee benefits	<u>765,200</u>	<u>779,713</u>
Total key management personnel compensation	<u>765,200</u>	<u>779,713</u>

Key management personnel includes all Directors, the Chief Executive Officer and the other 3 members of the Company's management team.

**15. Significant events subsequent to balance date.**

There have been no significant events subsequent to 30 June 2008.

**16. Financial Instruments**

*Credit risk*

In the normal course of business the Wellington Waterfront Limited incurs credit risk from short term investments, trade debtors and term receivables. There are no significant concentrations of credit risk. The Company invests only in deposits with registered banks with satisfactory credit ratings. The Company has processes in place to review to reevaluate the credit quality of customers prior to the granting of credit. The Company's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash equivalents and trade receivables. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired. The cash and cash equivalents and short term deposits are held with the ASB Bank Limited which has a credit rating of Aa2 as determined by Moody's Investors Service on 11 May 2007.

*Interest rate risk*

Interest on short term deposits is at fixed rates. Interest on call deposits is at a floating rate set by the bank.

*Foreign currency risk*

The Company has no foreign currency risk.

*Liquidity Risk*

Liquidity risk is the risk that the Company will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash. The Company receives an annual management fee from Council to cover cash requirements. Any of the Company's deposits are short-term.

**Cash and other receivables** comprise cash and cash equivalents and trade and other receivables.

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 at fair value. Allowances for estimated irrecoverable amounts are recognised when there is objective evidence that the asset is impaired.

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

**Financial liabilities**

Financial liabilities comprise trade and other payables. Financial liabilities entered into with duration less than 12 months are recognised at their nominal value.

**17. Capital management**

The Company's capital is its equity, which comprises capital and retained surpluses. Equity is represented by net assets. The Company requires the directors to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently. The Company's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

**Wellington Waterfront Limited  
Key Performance Indicators  
For the Year Ended 30 June 2008**

Key Performance Indicator Measure	2008 Actual	2008 Target	2007 Actual
Financial (\$000's) #			
Capital expenditure	9,281	12,697	8,406
Commercial proceeds	3,600	7,150	319
Non-Financial			
Percentage of residents visiting the Waterfront at least once during the year *	96%	95%	95%
Wellington Waterfront is a more interesting and exciting place to visit than it was five years ago *	84%	90%	89%

# The financial measures, capital expenditure and commercial proceeds, are for financial transactions in the Lambton Harbour Development Project (LHDP) financial statements and are calculated on a cash basis. Wellington Waterfront Limited manages the LHDP.

\* Satisfaction is measured by responses of good or very good in the latest UMR Research survey.

**Key Performance Indicators for 2007/08**

Delivering the Waterfront Experience	Outcome
<ul style="list-style-type: none"> <li>Maintain the very high level of public opinion satisfaction in each category of our annual surveys for which we have accountability</li> </ul>	<p><i>UMR Research findings report increases in 6 categories, no change in 2 categories, and small declines in 3 categories</i></p>
<ul style="list-style-type: none"> <li>Increase the waterfront business satisfaction survey to at least 70% in each category of our annual survey</li> </ul>	<p><i>UMR Research findings report a drop in satisfaction in one category. Five categories achieved 70%</i></p>
<ul style="list-style-type: none"> <li>Manage effective community promotional tours of display material by June 2008</li> </ul>	<p><i>During the year we have had the Overseas Passenger Terminal redevelopment model on display at the Michael Fowler Centre (two weeks) and Wellington International Airport (four weeks in July / August 2007). In addition we published our newsletter electronically and in hard copy. The Waterfront Project Information Centre has been regularly updated during the year</i></p>

**Wellington Waterfront Limited  
Key Performance Indicators  
For the Year Ended 30 June 2008**

<b>Developing the Waterfront Experience</b>	<b>Outcome</b>
<ul style="list-style-type: none"> <li>• Refurbishment of the exterior of Shed 13 completed by 1 August 2007</li> </ul>	<i>Achieved</i>
<ul style="list-style-type: none"> <li>• Site 7 ground floor tenants fully tenanted</li> </ul>	<i>Achieved</i>
<ul style="list-style-type: none"> <li>• Arrangements are entered into with the New Zealand Centre for Photography and New Zealand Portrait Gallery for a two-year trial period in Shed 11 to establish the viability of these organisations establishing a permanent gallery space in this venue in the future</li> </ul>	<i>Achieved</i>
<ul style="list-style-type: none"> <li>• Stages 1 &amp; 2 of Kumutoto public space completed by December 2007 within budget and to approved quality criteria</li> </ul>	<i>Achieved</i>
<ul style="list-style-type: none"> <li>• Construction of wharewaka commenced, subject to Wellington Tenth's Trust funding</li> </ul>	<i>Wellington Tenth's Trust has not yet secured all the funding needed</i>
<ul style="list-style-type: none"> <li>• Resource consents lodged for the redevelopment of the Overseas Terminal and Clyde Quay wharf</li> </ul>	<i>Achieved</i>
<ul style="list-style-type: none"> <li>• Concept designs completed for sites 8, 9 and 10</li> </ul>	<i>Achieved</i>
<ul style="list-style-type: none"> <li>• TAG quality assessment on all developments completed during the year</li> </ul>	<i>Site 7 and Kumutoto public space awards replace the need for TAG assessment</i>
<ul style="list-style-type: none"> <li>• Provide assistance to Waterfront Investments Limited in its appeal to the Environment Court for the Hilton Hotel development</li> </ul>	<i>Achieved</i>

<b>Corporate Support</b>	<b>Outcome</b>
<ul style="list-style-type: none"> <li>• Full implementation of the New Zealand Business Excellence Foundation criteria for performance excellence</li> </ul>	<i>Company withdrew its membership of the New Zealand Business Excellence Foundation during the year</i>
<ul style="list-style-type: none"> <li>• Completion of the Disaster Recovery Plan</li> </ul>	<i>Not achieved</i>

Project KPIs for the year ended 30 June 2008

Project	Measure	Target	Achievement
Site 7 (Meridian building)	Timeliness	Q2 Completion	Achieved – the building was officially opened on 24 October 2007
	Quality	Not applicable	
	Cost/(Sale) \$000's	Not applicable	
Site 7	Timeliness	Lease agreements for ground floor tenants secured in Q2	Negotiations for Mojo Coffee, Wagamama, EON Design Centre, and the ticketing office for the Dominion Post ferry completed.
	Quality	Not applicable	
	Cost/(Sale) \$000's	Not applicable	
Kumutoto Public Space	Timeliness	Q3 completion	Project completed in May 2008.
	Quality	TAG sign-off	To be completed.
	Cost/(Sale) \$000's	\$7,160	\$6,955
Overseas Terminal Redevelopment	Timeliness	Resource consent lodged	Achieved – resource consent lodged in September 2007 and granted in May 2008.
	Quality	Not applicable	
	Cost/(Sale) \$000's	*	
Shed 13	Timeliness	Q2 Completion of the interior	Financial constraints have delayed this project.
	Quality	TAG sign-off	Financial constraints have delayed this project.
	Cost/(Sale) \$000's	\$625	
Outer-T Hotel *	Timeliness	Title issued in Q3 after Environment Court hearing (in August / September / October 2007)	The Environment Court overturned the resource consent granted to the developer.
	Quality	Not applicable	
	Cost/(Sale) \$000's	*	
Sites 8, 9, and 10	Timeliness	Resource consent lodged	Not achieved.
	Quality	Not applicable	
	Cost/(Sale) \$000's	*	

\* Costs borne by Developers

Note: It should be noted that as a result of external factors and influences a number of measures were only partially achieved or not achieved – the Company has already provided explanation to its shareholder, WCC, and is able to provide more detail if required.

WWL will complete a Technical Advisory Group (TAG) assessment for all projects. This is an independent assessment as to whether a project has met the objectives for the quality of design as defined in the Wellington Waterfront Framework.

The completion rate is influenced both by Wellington Waterfront Limited's responses to the property development and construction markets although some matters can be outside of Wellington Waterfront Limited's control. These are:

- the performance and capacity of property developers and construction companies;
- ability in the prevailing market to achieve satisfactory commercial terms;
- the timing of resource consent process (including appeals);
- Council planning and approval processes.

A handwritten signature in black ink, appearing to be 'M. F. [unclear]', located in the bottom right corner of the page.

<b>Nature of business:</b>	Management services
<b>Registered office:</b>	Shed 6 Queens Wharf
<b>Postal address:</b>	PO Box 395 Wellington
<b>Telephone:</b>	64 4 495 7820
<b>Facsimile:</b>	64 4 473 2912
<b>Directors:</b>	Michael Cashin - Chair (appointed Chair 29 August 2007) Ray Ahipene-Mercer (resigned 18 October 2007) (re-appointed 6 November 2007) Robert Gray (appointed 30 August 2007) David Kernohan Stephen Kos Mark Petersen David Pritchard Alison Timms Fran Wilde (resigned 29 August 2007)
<b>Chief executive:</b>	Ian Pike
<b>Bankers:</b>	ASB Bank Limited Wellington
<b>Auditor:</b>	Audit New Zealand on behalf of the Auditor-General
<b>Shareholder:</b>	Wellington City Council 1,000 shares
<b>Solicitors:</b>	Chapman Tripp Wellington
<b>Website address:</b>	<a href="http://www.wellingtonwaterfront.co.nz">www.wellingtonwaterfront.co.nz</a>