

Chairman's Review

The 2010-11 year has continued to be a challenging one for the seafood industry as global conditions remain difficult with rising fuel costs and the New Zealand dollar impacting on overall activity. In response industry members have been focused on deriving greater value from existing businesses and seeking new opportunities. While it may be some time before a global economic recovery, the New Zealand seafood industry has a strong future as world demand for protein continues to escalate.

The New Zealand Seafood Industry Council has spent a considerable amount of time this year focused on determining the most effective structures to support the industry into the future. This has included working closely with the individual sector organisations to ensure the Council's services are more targeted and aligned with their needs. The Council will continue to have a strong role to play in ensuring the industry is strategically positioned to protect and promote the seafood industry and its reputation, and ensure it retains and advances access to seafood opportunities and markets.

This work has taken considerable effort and resources on behalf of the Council's management team over the past financial year. The changes to the way we operate have been widely discussed at a variety of industry forums and ultimately will need shareholder approval at a special general meeting. I am very confident that the new SeaFIC structure, when approved, will reflect the changing needs of the industry and provide a strong platform for the industry, both in supporting sector groups at an individual level and in providing a long-term industry strategy.

The Council's restructuring has also come at a time of considerable change for the industry's key government agency the Ministry of Fisheries with its merger with the Ministry of Agriculture and Forestry. While we believe the merger will realise benefits for the industry over the longer term, there is always a settling down period as new working relationships are established to ensure we can work together to deliver productive results for the industry and economy alike. We also welcomed a new Minister, the Hon David Carter, following last year's general elections.

The New Zealand Seafood Industry Council operated under a reduced budget again this year with costs of the major operational business units down on the previous year. However, critical work in areas of trade, science and policy continued, and we have strengthened our communications this year to ensure we are more responsive in protecting and promoting our reputation.

Actions which had a significant financial effect on the Group's accounts for the 2010/11 financial year included the return of under spent funding to the Ministry of Science and Innovation by Seafood Innovations Limited; the return of prior years over-funding to Tertiary Education Commission by the Council's training arm, SITO, and the revaluation of Seafood Industry House which stemmed largely from impairment due to earthquake strengthening requirements. These requirements, which are very costly, have led to a review of accommodation needs and it is very possible the Board may recommend a move to new premises later in 2012.

Finally, I would like to thank the staff and directors of the New Zealand Seafood Industry Council for their continued support through a difficult year. I look forward to the Council building on its new direction and delivering significant benefits to its members in the 2011-12 year.



Dave Sharp
Chairman

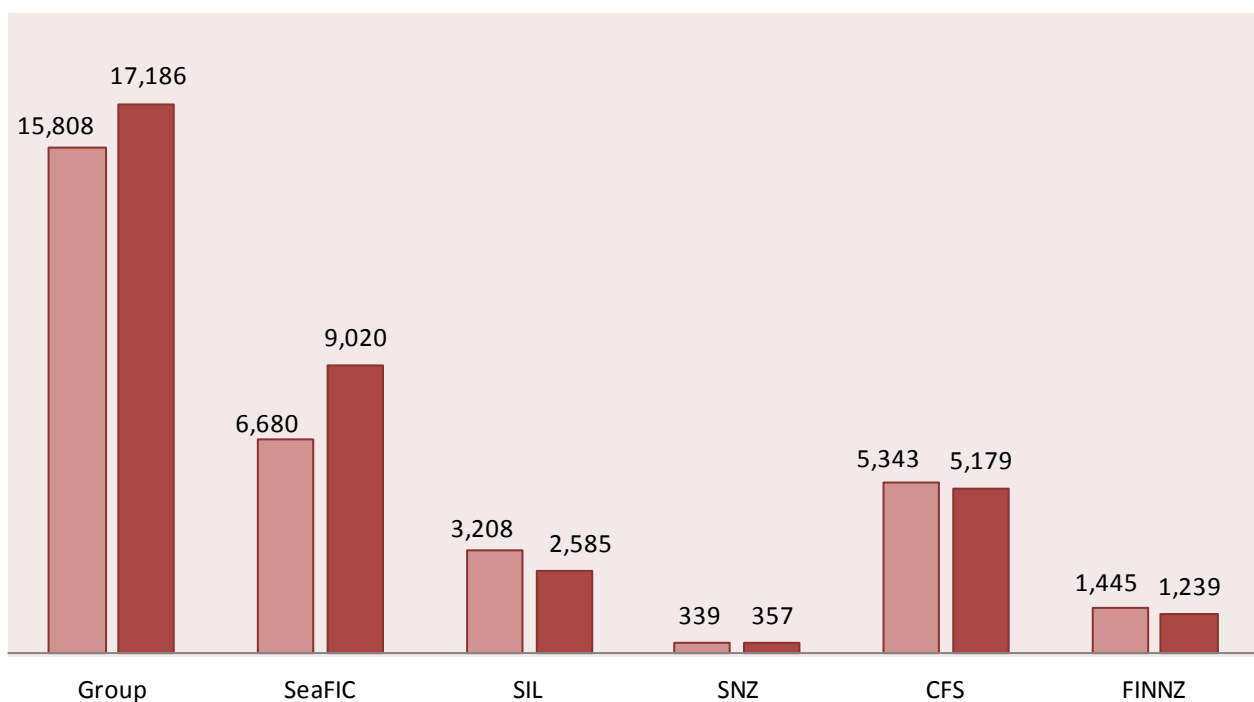
New Zealand Seafood Industry Council

Financial Summary

	Group	SeaFIC	SIL	SNZ	CFS	FINNZ
Income	15,807,730	6,680,429	3,207,993	339,049	5,342,619	1,444,670
Expenditure	(17,185,856)	(9,020,025)	(2,584,585)	(357,237)	(5,179,313)	(1,238,830)
Operating Surplus/(loss) before income tax	(1,378,126)	(2,339,596)	623,408	(18,188)	163,306	205,840
Income Tax Expense/Credit	(333,235)	(620,346)	(184,380)	5,417	(46,028)	(62,114)
Surplus/(loss) for the year	(1,044,891)	(1,719,256)	439,028	(12,771)	117,278	143,726
Revaluation of Land and Building	(2,052,936)	(2,052,936)				
Movement in Deferred Tax	222,881	222,881				
Total Comprehensive Loss	(2,874,946)	(3,549,311)	439,028	(12,771)	117,278	143,726
Total Equity	8,650,451	4,240,870	760,948	12,985	3,597,758	269,883

Total Revenue & Expenses before taxation (\$'000's)

■ Total Revenue ■ Total Expenses



During the year ended 30 September 2011 the Group made a total comprehensive loss after tax of \$2,874,946. The Group's loss was significantly attributable to Industry Training Services repayments to TEC and revaluation of land and building.