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ANNUAL REPORT 2005

TE OHU
KAIMOANA



TE PUTEA WHAKATUPU

TE WAI MĀORI



TE OHU KAI MOANA TRUST

AOTEAROA FISHERIES LIMITED

TE PUTEA WHAKATUPU TRUST

TE WAI MAORI TRUST

TAKUTAI TRUST

TE OHU KAI MOANA TRUSTEE LIMITED

Annual Report and Financial Statements for the 10 months ending 30 September 2005

ANNUAL REPORT 2005

APPENDIX 4

Independent Review of Maori Commercial Fisheries Structures under the Maori Fisheries Act 2004



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MESSAGE

FROM THE CHAIR



“THE FIRST
MAORI
FISHERIES
ASSETS ARE
NOW IN
IWI HANDS”

TENA KOUTOU,

It is my honour to present the first annual report for Te Ohu Kaimoana, the Maori Fisheries Trust, for the 10 months ending 30 September 2005.

Te Ohu Kaimoana reports a year of significant achievement – the first Maori fisheries assets are now in iwi hands – less than one year since the creation of the trust.

There has been, among other successes, a seamless transition from the former Treaty of Waitangi Fisheries Commission, a focus by the executive team towards an early delivery of assets and the development of important templates that assist iwi to meet the statutory hurdles to receive those assets much earlier than many may have thought possible.

The fisheries settlement will assist in rejuvenating the economic base for many iwi and give them the chance to reclaim some lost opportunities.

Iwi organisations are subject to the same commercial constraints and pressures as companies and other businesses in Aotearoa. As an isolated trading nation with a modest domestic base, we need to be innovative in the way we approach and deal with the problems and opportunities we encounter. I believe that the success achieved by Te Ohu Kaimoana and its predecessor in the fishing industry over the years, bear testament to our adaptability as Maori.

With receipt of their fisheries assets iwi must now prepare to meet the demands of an ever-changing economic and political environment and explore ways to increase the investment base to provide for the future generations of their members. Te Ohu Kaimoana management and staff will do all they can to assist iwi achieve their goals in the fisheries sector, whatever they may be.

Naku noa, na



Shane Jones
CHAIRMAN
TE OHU KAI MOANA TRUSTEE LIMITED

CHIEF EXECUTIVE'S STATEMENT



“A NET
SURPLUS OF
\$38 MILLION”

THIS ORGANISATION'S

overriding objectives of allocation of assets to iwi and protection and enhancement of the value of the Maori Commercial Fisheries Settlement are our primary focus. This annual report provides an account of our work for the 10 months ending 30 September 2005.

The transfer of over \$92 million in asset value to six iwi organisations – Ngapuhi, Whaingaroa, Te Aitanga a Mahaki, Ngati Rarua, Ngati Mutunga and Moriori was our most public achievement this year. The country's largest iwi, Ngapuhi, received over \$60 million worth of fisheries assets.

The current financial year has seen three more iwi recognised as Mandated Iwi Organisations (MIO) allowing a further \$9 million in quota, income shares in Aotearoa Fisheries Ltd and cash to be transferred.

The success of the Group during the period is demonstrated by its financial performance with Te Ohu Kaimoana reporting a net surplus of \$38.4 million and Aotearoa Fisheries Limited a surplus of \$13.5 million. The surplus for Te Ohu Kaimoana includes the trust's share of AFL's surplus and also records the increases in the value of assets held on behalf of iwi.

The speed at which iwi are managing to implement the required Maori Fisheries Act structures has been supported by the generic trust deed and asset holding company constitution templates that we have developed. These are proving to be useful in assisting iwi to reach MIO status while saving significant time and money.

The mood among iwi organisations is buoyant. They are, by and large, taking advantage of the tools we have developed and moving beyond the process which has lead us to here. We have developed solutions for the circumstances we find ourselves in, whether that be for large iwi or small, those with their own legislation or structures designed in another time.

I encourage you to take advantage of these tools and the opportunities ahead.



Peter Douglas
CHIEF EXECUTIVE

STRUCTURE OF TE OHU KAIMOANA & RELATED ENTITIES

TE OHU KAI MOANA TRUST (TE OHU KAIMOANA)
WAS ESTABLISHED IN NOVEMBER 2004 UNDER THE
MAORI FISHERIES ACT 2004.

The Maori Fisheries Act provides for the development of collective and individual interests of iwi in fisheries, fishing and fisheries-related activities ultimately for the benefit of all Maori.

Te Ohu Kaimoana's obligations are the allocation and transfer of significant fisheries settlement assets to iwi and the growth and protection of the assets that the allocation model requires to be managed centrally. Te Ohu Kaimoana is governed by a corporate trustee – Te Ohu Kai Moana Trustee Limited, which has seven directors. The trustee appoints the directors of Aotearoa Fisheries Limited. It is also responsible for appointing directors to the corporate trustees of Te Putea Whakatupu Trust and Te Wai Maori Trust as well as approving their annual business plans.

During this period Te Ohu Kaimoana has worked on three key areas: developing systems to allocate and transfer fisheries assets to iwi; assisting iwi to meet legal requirements to receive Maori fisheries assets, and advocating to protect the value of the settlement on behalf of iwi with industry, government and other agencies and stakeholders.

The Maori Fisheries Act 2004 brought into existence six distinct entities:

Te Ohu Kai Moana Trust (Te Ohu Kaimoana)

– holds and manages fisheries assets until they are allocated to iwi. Te Ohu Kaimoana represents views and interests of iwi to industry, government and other agencies and stakeholders to protect the value of the settlement.

Te Ohu Kai Moana Trustee Limited – the corporate trustee of Te Ohu Kai Moana Trust and the Maori Commercial Aquaculture Settlement Trust (Takutai Trust).

Aotearoa Fisheries Limited (AFL) – manages the Maori fisheries assets that were retained centrally under the allocation model.

Te Putea Whakatupu Trust – holds and manages trust funds used to promote and advance education, training and research, including within the fisheries sector (see details in separate section).

Te Wai Maori Trust – holds and manages trust funds used to promote and advance Maori interests in freshwater fisheries (see details in separate section).

Te Kawai Taumata – appoints and removes directors from Te Ohu Kaimoana.

Other entities administered by Te Ohu Kai Moana Trustee Limited are:

The Maori Commercial Aquaculture Settlement Trust (Takutai Trust) – a separate trust created by the Maori Commercial Aquaculture Claims Settlement Act 2004 responsible for the distribution to iwi of marine farming assets transferred to it by the Crown (see details in separate section).

Te Ohu Kai Moana Charitable Trust – a scholarship programme developed by the former Treaty of Waitangi Fisheries Commission to put Maori into fisheries or fisheries-related education and training programmes (see details in separate section).

Management and Staff

Te Ohu Kaimoana has 25 staff based in Wellington. The organisation has a chief executive, who appoints a general manager for policy and operations, chief financial officer for corporate and governance and a general counsel as key executives. The allocation and transfer team is included within the policy and operations division.

STRUCTURE OF TE OHU KAIMOANA & RELATED ENTITIES

Corporate Governance

Te Ohu Kaimoana was established by the Maori Fisheries Act 2004. The trustee for Te Ohu Kaimoana is Te Ohu Kai Moana Trustee Limited and it is the role of its board to ensure a framework of accountability and transparency exists that throughout the organisation.

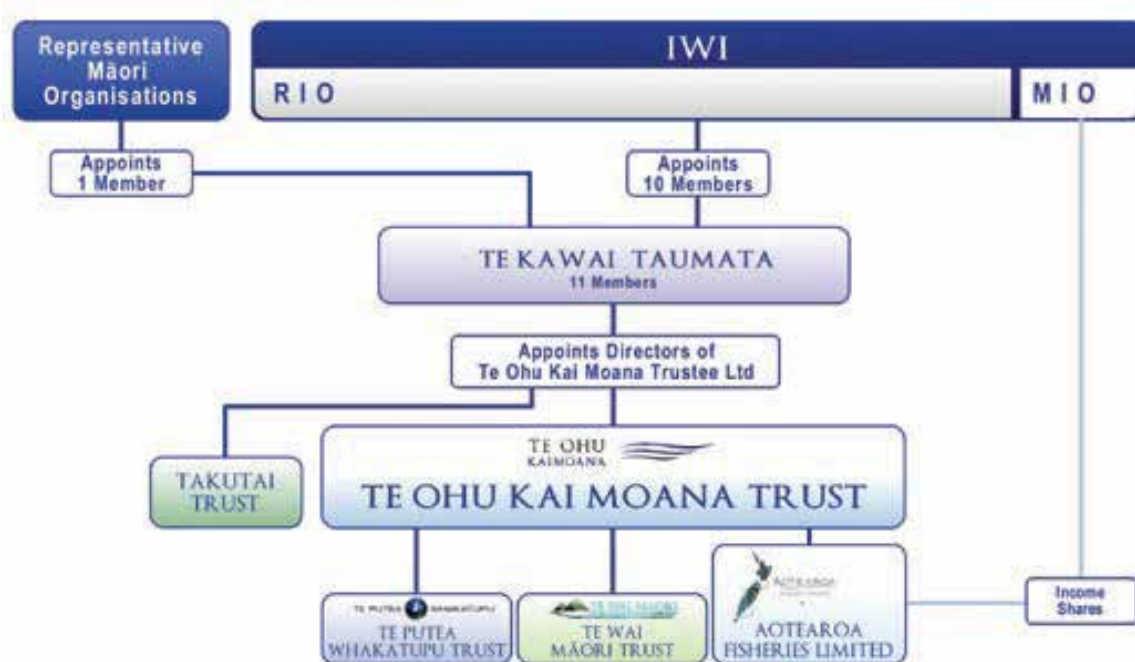
The board of Te Ohu Kai Moana Trustee Limited is committed to ensuring that Te Ohu Kaimoana adheres to the principles of best governance practice and maintains the highest ethical standards.

Te Ohu Kaimoana reports on its activities each year in its Annual Report to the 57 iwi organisations that have a beneficial interest in the trust. A half-year report was also prepared and distributed in July 2005. Te Putea

Whakatupu Trust and Te Wai Maori Trust report on their activities through Te Ohu Kaimoana. AFL independently reports on its operations and activities by issuing half yearly and annual reports.

In the year in review, Te Ohu Kaimoana developed and distributed to iwi a long-term strategic plan covering the 2004 - 2010 financial years. A draft annual plan for the 2005 - 2006 financial year was distributed to iwi for comment prior to finalisation.

All entities within the group report annually to iwi through the annual general meeting, to be held this year on 25 February 2006.



STRUCTURE OF TE OHU KAIMOANA & RELATED ENTITIES

Board Activity

The board of Te Ohu Kai Moana Trustee Limited comprised seven directors, including the chair, who were appointed on 25 November 2004. Three appointments expire in November 2006, while the remaining appointments expire in November 2008. Ten board meetings were held during the year.

Director	Date of appt	Term expires
Wira Gardiner*	25 Nov 2004	29 Nov 2005
Shane Jones (Chairman)	25 Nov 2004	24 Nov 2008
Dame Georgina Kirby	25 Nov 2004	24 Nov 2006
Rob McLeod	25 Nov 2004	24 Nov 2008
Archie Taiaroa	25 Nov 2004	24 Nov 2006
Rangimarie Parata Takurua	25 Nov 2004	24 Nov 2008
Koro Wetere	25 Nov 2004	24 Nov 2006

* Wira Gardiner served as deputy chairman from November 2004 until his resignation on 29 November 2005. Archie Taiaroa was elected deputy chairman as his replacement.

Te Ohu Kaimoana also established a Transition Committee to oversee the transition from the Treaty of Waitangi Fisheries Commission; an Audit Committee, to deal with issues of risk and accountability, and a Remuneration Committee.

The Transition Committee met to approve processes and transactions that occurred with the vesting of assets to Te Ohu Kaimoana and AFL. It was disbanded in December 2004.

The members of the Audit Committee are Rob McLeod, Rangimarie Parata Takurua and Fred Cookson who was appointed as an independent member.

The members of the Remuneration Committee are Shane Jones and Archie Taiaroa.

Koro Wetere and Archie Taiaroa were also appointed to an Iwi Allocation Facilitation Committee that worked with a number of iwi assisting them through the allocation and agreement process.

Directors' Insurance

Te Ohu Kai Moana Trustee Limited has arranged policies for Director's Liability Insurance, which ensures that directors will generally incur no monetary loss as a result of actions undertaken by them as directors. There are, however, certain actions that are excluded from the policy, such as the imposition of penalties and fines in respect of breaches of the law.

Remuneration

The quantum of directors fees was established following reference to independent surveys and advice on the appropriate level of remuneration after considering the size and complexity of the organisation in comparison to similarly placed organisations within New Zealand.

Additional fees are paid to those directors who serve on board committees. Included in the amount paid to Shane Jones is \$25,800 relating to work performed for the Treaty of Waitangi Fisheries Commission.

Remuneration received by the directors of Te Ohu Kai Moana Trustee Limited was:

Name of Director	Remuneration
Wira Gardiner	37,000
Shane Jones	86,000
Georgina Kirby	30,000
Rob McLeod	34,000
Archie Taiaroa	32,000
Rangimarie Parata Takurua	34,000
Koro Wetere	32,000

DIRECTORS OF TE OHU KAIMOANA



Shane Jones

Ngai Takoto, Te Aupouri

Shane Jones is the chairman of Te Ohu Kaimoana. He was appointed a commissioner to the former Treaty of Waitangi Fisheries Commission in 1992, and was appointed chairman of that Commission in 2000. A former Harkness Fellow and senior public servant, Shane has had a long involvement with Treaty of Waitangi issues. Shane recently stood down as chairman of Sealord Group Limited and was elected an MP in the 2005 General Election. Shane is also a professional director and consultant.



Archie Taiaroa

Ngati Haua, Ngati Kurawhatia, Te Ati Haunui-a-Paparangi, Ngati Tawharetoa, Ngati Apa, Ngati Maru

Archie is a former Commissioner of the Treaty of Waitangi Fisheries Commission and facilitated the Commission's Freshwater Fisheries Sub-Committee. During the 1992 Maori fisheries negotiations, Archie was the Convenor of Maori Congress – a group charged with providing a forum for iwi to address issues on a national basis. Archie has had an active role in the Commission leading its work in customary fisheries – including marine mammals. He is currently the Chair of the Whanganui River Maori Trust Board.



Dame Georgina Kirby

Ngati Kahungunu

Dame Georgina Kirby is the Executive Director of the Maori Women's Development Incorporation, which administers loans to assist Maori into business. She is a strong advocate of the arts and helped establish the original Maori and Pacific Arts Council which is now called Te Waka Toi. She is currently a Trustee of Toi Maori Aotearoa, a member of the Lottery Marae Heritage and Facilities Committee and a Patron of Toi Maori Manukau in South Auckland.



Rob McLeod

Ngati Porou

Rob is a champion of Maori business development and is the only Te Ohu Kaimoana director to sit on both the board of Te Ohu Kaimoana and Aotearoa Fisheries Limited. He has an in-depth knowledge of the AFL businesses and the operations as a former Commissioner of the Treaty of Waitangi Fisheries Commission. He is currently chairman of the New Zealand Business Roundtable and a director of ANZ National Bank Limited, Gullivers Pacific Limited, SKYCITY Entertainment Group Limited, Tainui Group Holdings Limited and Telecom New Zealand Limited. He is also a former Chair of Ernst & Young.



Rangimarie Parata Takurua

Ngai Tahu, Ngati Kahungunu

Rangimarie is a business consultant and company director. She has played a leading role in establishing boards and management structures for Ngai Tahu and has had a long involvement in Maori business and economic development. She has served as a director with Ngai Tahu Holdings Corporation, the State Sector Standards Board, the University of Canterbury and GPS Pacific Limited. She is managing director of Parata Takurua Limited and a Trustee with Poutama Trust, Enterprise New Zealand Trust, Naku Te Ao Early Childhood Charitable Trust and Te Ahikaaroa Kapahaka Inc.



Koro Wetere

Waikato

Hon Koro Wetere was appointed a commissioner to the Treaty of Waitangi Fisheries Commission in 2000. He is currently a director of Tainui Group Holdings Ltd, a former Labour MP and was Minister of Maori Affairs from 1984-1990. He also held ministerial portfolios in Valuations, Lands and Forests. As Minister of Maori Affairs he was involved in the preparation of the Maori Fisheries Act 1989, along with the negotiations that led to the establishment of the interim Maori Fisheries Commission.

An underwater photograph of a fish with long, thin white spines and a large eye, swimming near a dense patch of yellow and green seaweed. The background is a clear blue water. Overlaid on the image are several concentric white circles and a stylized white line that resembles a traditional Maori koru or a stylized 'S' shape.

TO COMPLETE THE TRANSFER OF ASSETS TO ALL IWI BY THE END OF 2010

APPENDIX 4

Independent Review of Maori Commercial Fisheries Structures under the Maori Fisheries Act 2004

ALLOCATION & TRANSFER

THE TRANSFER OF FISHERIES ASSETS TO MANDATED IWI ORGANISATIONS (MIOs) IS THE MOST IMMEDIATE PRIORITY FOR TE OHU KAIMOANA.

Six iwi achieved MIO status and received assets during the year. Those iwi were Ngapuhi, Whaingaroa, Te Aitanga a Mahaki, Ngati Rarua and the two iwi on the Chatham Islands – Ngati Mutunga and Moriori. The transferred assets were valued at over \$92 million, with Ngapuhi receiving more than \$60 million.

Ngati Mutunga and Moriori received their full entitlement under allocation proposals because they were able to agree on their respective shares of inshore fisheries, the 25 percent of deepwater fisheries and freshwater fisheries. The remaining iwi received those assets that are allocated using their iwi population. They will have the balance of their entitlement transferred once neighbouring iwi have achieved MIO status and they have all reached agreement on their respective shares of those fisheries.

Te Ohu Kaimoana aims to transfer to iwi all assets that are allocated based on iwi population as soon as MIO status has been reached. We expect to have most of

the population assets in iwi hands within 18 months, however, that timeframe is dependent on iwi. The balance of the assets can be transferred as MIOs reach agreement on their respective shares of coastline, harbours and freshwater fisheries. The trust expects to complete the transfer of assets to all iwi by the end of the 2009-2010 financial year.

Registration of Settlement Quota

Te Ohu Kaimoana completed a number of processes to facilitate the efficient allocation of assets to iwi.

The processes included:

- registering with FishServe a settlement quota interest against the quota held by Te Ohu Kaimoana on 29 November 2004, and
- automatic registration of this interest on 20 percent of any new species entering the Quota Management System after 29 November 2004.

ALLOCATION & TRANSFER

Sale of ACE to Iwi

Te Ohu Kaimoana continues to provide Annual Catch Entitlements (ACE) to Recognised Iwi Organisations (RIOs) and MIOs from settlement quota that has not been transferred to iwi. During the year in review, Te Ohu Kaimoana developed a database to better incorporate asset transfer procedures within the ACE regime. ACE rounds were completed for the 1 October 2004 and 1 April 2005 fishing years.

Iwi Readiness

The development of a 10-point "road map to allocation" providing a guide to the best route for iwi to achieve MIO status was widely promoted. Staff met with iwi representatives to promote the process and identify key issues facing both Te Ohu Kaimoana and iwi. Additionally, a checklist with built-in timeframes for iwi has been developed showing "cut-off" dates for iwi to register an intention of applying for MIO status in time to receive assets for the April or October fishing years.

Templates for Asset Holding Company (AHC) constitutions and MIO Trust Deeds were developed to assist iwi in meeting the requirements of the Maori Fisheries Act for them to be recognised as MIOs. These templates are designed to also comply with the requirements of the Maori Commercial Aquaculture Claims Settlement Act 2004. The templates have proven useful in saving costs and enabling iwi to meet the requirements for charitable trust status.

We continue to provide a subsidy of \$12,500 on a dollar-for-dollar basis to assist iwi with the development of their constitutional documents.

Iwi Registers

The Tautoko Maori Trust (Tuhono), jointly funded by Te Ohu Kaimoana and the Government, continues to be an effective service assisting iwi to build their membership registers. It has provided iwi organisations with the names of people who have agreed to have their contact details provided to their respective iwi organisations. Tuhono provides an effective way for iwi to maintain current contact details of their members as the information is automatically updated whenever a member changes their address. Te Ohu Kaimoana provided \$344,000 to the Tuhono service during the year making a total of \$700,000 contributed to date.

Quota Share Agreements

Once iwi reach MIO status, they are able to make agreements with neighbouring MIOs over their respective shares of inshore, deepwater, freshwater and harbour quota. These agreements are needed before those assets can be transferred, thus completing the allocation and transfer of the asset entitlement for each of those iwi. Te Ohu Kaimoana has also developed templates to facilitate this process.

In September 2005, eight iwi from Wanganui to Titahi Bay signed a non-binding memorandum of understanding (MOU) at Te Atiawa ki Whakarongotai marae providing boundary agreements that would aid in determining final asset allocations from Te Ohu Kaimoana. The area covered comprises 162km of coastline stretching from Kai Iwi Stream to the northern end of Titahi Bay.

This MOU, which relates only to the allocation of Maori fisheries assets and does not include non-fisheries issues, is also being used to apportion shares of ACE among these iwi. Te Ohu Kaimoana staff were pleased to assist with this iwi-driven initiative.

Draft MOU have also been developed for use by other iwi organisations to record similar agreements before they become MIOs.

ASSET PROTECTION & FISHERIES MANAGEMENT

TE OHU KAIMOANA IS TO PROVIDE ADVICE ON BEHALF
OF IWI THAT PROTECTS, MAINTAINS AND ENHANCES THE
VALUE OF THE SETTLEMENT.

Te Ohu Kaimoana has been involved in many fisheries management and marine environment issues during the year. Government-driven policy reviews and proposals regarding the marine environment seem ever expanding and could potentially undermine the value of the 1992 Maori Commercial Fisheries Settlement. A core role for Te Ohu Kaimoana is to provide advice on behalf of iwi that protects, maintains and enhances the value of the settlement.

The need for Te Ohu Kaimoana to keep abreast of these issues, reforms, proposals and reviews continues to require considerable resources to provide a knowledgeable and effective voice in government and industry circles. Our strong relationship with the Seafood Industry Council (SeaFIC) is of great assistance in these activities.

Aquaculture

This important sector of the fishing industry continues to undergo significant change. During the financial year, Te Ohu Kaimoana devoted considerable resources participating in the reform of aquaculture law and the implementation of the Maori Commercial Aquaculture Claims Settlement Act 2004. That Act established the Maori Commercial Aquaculture Settlement Trust (Takutai Trust) (see separate report).

The effect of aquaculture proposals on existing quota owners is considered before approval is given to those proposals. Te Ohu Kaimoana holds significant quota on behalf of iwi for inshore species in areas that could be affected by aquaculture. During the year we made a submission on the potential effects on fishing of one application for aquaculture in the Bay of Plenty. While fishers involved in the inshore trawl, seine and rock lobster fisheries expressed concern about the potential effects of the proposal, the applicants suggested that these concerns can be addressed in various ways.

Te Ohu Kaimoana recommended that Ministry of Fisheries provide a preliminary assessment of the effects of the proposal on fishing to all parties involved so that any potential effects can be addressed before a final assessment is made.

Policy changes to Marine Management

Te Ohu Kaimoana continues to make submissions on policies relating to the marine environment. In many instances our recommendations are accepted and incorporated into final documents. Among other submissions and papers prepared and presented to the Government, Te Ohu Kaimoana's views on the joint Ministry of Fisheries and Department of Conservation's Marine Protected Areas Policy Statement and Implementation Plan were included in an independent review. Moreover, a submission on "Freshwater for a Sustainable Future" was presented to the Ministry for the Environment.

Fisheries Sustainability and Allowable Catch

We participated in the Ministry of Fisheries working group processes for conducting and reviewing research into aspects of fisheries management and in the formulation of advice to the Minister of Fisheries on the TAC for each fishstock.

Submissions were made on Ministry of Fisheries initial proposals to reduce the allowable catch of Snapper 8 and Kahawai 1 and proposals to change the management of some fisheries in the Kaipara Harbour. We had concerns these initial proposals on snapper and kahawai would have the effect of an unofficial reallocation of shares in the fishery. The Ministry's proposal was to reduce the total catch by making reductions only in the commercial catch, without making any changes to the management of the recreational catch.

ASSET PROTECTION & FISHERIES MANAGEMENT

We contended there should be no reduction in the Snapper 8 catch because the stock is rebuilding at a satisfactory rate. However, if the Minister did decide to reduce the catch, we submitted that the reduction should be spread across the recreational take as well as the commercial take. The Minister's final decision included a reduction in the recreational daily bag limit as we had recommended. We also recommended that the Ministry work with iwi to undertake surveys to establish a more accurate customary allowance. The Ministry has taken up these recommendations.

Regarding proposals for the Kaipara Harbour, Ministry of Fisheries supported our recommendations and made no change to the management regime.

The management of kahawai, however, is the subject of a court case currently being taken by the Recreational Fishing Council against the Minister. Industry is participating in this litigation. With kahawai, the Minister stated he did not have enough information to justify a drop in the recreational take and therefore did not reduce the daily limits in spite of strong industry recommendations to do so.

Te Ohu Kaimoana provided recommendations to the Ministry that we supported in-season increases for commercial harvest in Northland and Coromandel scallops, but not for recreational harvest. Our recommendation was made on the basis that research had supported an increase in the commercial harvest, but no research has been undertaken for recreational beds of scallops. The Minister agreed and made an in-season increase in the commercial harvest.

Strategies Fisheries management

We provided submissions on proposals developed by the Ministry of Fisheries that considered fisheries management for the future. The proposals aimed to increase transparency, assist in forming the basis for intervention, assisting in clarifying the roles and responsibilities of industry participants and forming the basis for monitoring and reviewing performance. Towards the end of the financial year, the Ministry signalled its intention to achieve these aims by facilitating the development of fisheries plans.

The Ministry of Fisheries also released its final strategy "Managing the Environmental Effects of Fishing" which will inform and shape the development of fisheries

plans. Te Ohu Kaimoana plans to be involved in these processes as they develop.

Industry initiatives

We have been involved in a number of significant initiatives over the year.

Hoki, Squid, Orange Roughy

The Hoki, Squid and Orange Roughy management companies, in which we participate, decided to amalgamate into one industry deepwater management company. This will provide a streamlining of costs and provide a more efficient and effective operation. Allowances have been made for minority shareholders to sit on the board thereby protecting iwi interests.

We have also assisted auditors who are looking at the Marine Stewardship Council's continuing certification of hoki. This certification assists hoki to gain higher prices in overseas markets, particularly in Europe.

Seabirds

Seabird by-catch received considerable attention during the year. Te Ohu Kaimoana continued to participate in the National Plan of Action for Seabirds (NPOA), which aims to ensure that industry avoids, remedies or mitigates the adverse effects of fishing on seabirds. In September, the Minister of Fisheries introduced regulations requiring that all fishing vessels over 28 metres working in Fisheries Management Areas 3, 4, 5, 6 and 7 must have tori lines. We believe the effectiveness of tori lines has not been proven and a comparison of this approach with others, such as bird bafflers, will need to be made. The measures imposed by the Minister affect a wide range of fisheries, but particularly hoki and squid.

Te Ohu Kaimoana will continue to support the work of Southern Seabird Solutions to explore ways to reduce seabird interference.

Paua

Te Ohu Kaimoana was particularly active in the reorganisation of the paua industry. We worked with other quota owners to put in place Paua Management Advisory Committees for each paua quota management area and establish key action priorities for them. In a number of the areas, the priorities included dividing the QMA into smaller paua areas and harvesting and re-seeding those areas. Staff have also been involved in the development of a fisheries plan for Paua 7.

ASSET PROTECTION & FISHERIES MANAGEMENT



SEABIRDS: This photo of Southern Royal Albatross by John Barry of Stewart Island won the Southern Seabirds Solutions' "Fishers' Seabird Photograph Competition" sponsored by Te Ohu Kaimoana and Aotearoa Fisheries Limited, among other industry members. The purpose of the competition was to raise awareness about seabirds and the industry's interaction with them.

We participated in the National Compliance Working Group focussing on improvements to prevent the illegal harvesting of paua. The report by working group to the Minister of Fisheries included recommendations on strengthening the law surrounding the apprehension of offenders and increasing collaboration between the industry and Government.

Customary Regulations

Regulation 27 continues to be an important focus. Te Ohu Kaimoana submitted its views on proposed changes to Regulation 27, which provide for customary harvest for hui and tangi. It remains our view that priority must be given to implementing customary regulations rather than continually amending Regulation 27, originally described as a temporary measure until a comprehensive set of regulations were developed.



TRAWL: This photograph taken by Ree Whaitiri from Bluff of seabirds following a trawl came second in the competition.

CAPABILITY DEVELOPMENT

GROWING IWI AND MAORI CAPABILITY WITHIN THE FISHERIES SECTOR REMAINS IMPORTANT TO MAORI FISHING ASPIRATIONS. TE OHU KAIMOANA HAS CONTINUED THE SCHOLARSHIP PROGRAMMES THAT HAD THEIR BEGINNINGS UNDER THE FORMER FISHERIES COMMISSION.

Early in the financial year, Te Ohu Kaimoana oversaw the establishment of the two trusts – Te Putea Whakatupu Trust and Te Wai Maori Trust – who have a role in growing Maori skills in the fishing sector. Deeds for the two trusts were approved by the board of Te Ohu Kaimoana and inaugural directors appointed to the corporate trustees. Administrative and executive support for the trusts will continue to be provided by Te Ohu Kaimoana.

The scholarship programmes that were operated under the Charitable Trust (see separate section later in this report) have been reviewed. The review included analysing the previous funding arrangements and objectives against the obligations of Te Ohu Kaimoana and Te Putea Whakatupu Trust. Te Putea Whakatupu Trust has agreed to take over a number of the scholarship programmes. These programmes are expected to support the trust's future direction and its vision for Maori, as well as its statutory requirements.

While much of the work during the year involved the establishment of the trusts, Te Ohu Kaimoana continued to provide support to those students currently undertaking scholarship programmes. These students will continue to receive financial assistance until 2007.

Since 1995, when the scholarship programme was started, more than 2000 people have received financial assistance to study in a range of subjects. These include tertiary-level courses dealing with professional and scientific qualifications; management courses for skills and qualifications that will provide a direct benefit in the development of iwi commercial fisheries resources, and technical training courses that provide the skills necessary for seafood processing, deep-sea fishing and statutory marine qualifications.

Reports for Te Putea Whakatupu Trust and Te Wai Maori Trust are included in separate sections later in this report.

Capability Development for Iwi

Work has commenced on developing practical resources, programmes and information that will assist iwi to develop their fisheries assets post allocation.

Staff and resources were made available to iwi, including those MIOs that have already received fisheries assets, to assist with the development of their fisheries assets and provide fisheries management advice.

FINANCIAL OVERVIEW

IN THE FIRST TEN MONTHS OF OPERATION
TE OHU KAIMOANA HAS MADE SIGNIFICANT PROGRESS
TOWARDS ITS IMMEDIATE PRIORITY TO TRANSFER
FISHERIES ASSETS TO MANDATED IWI ORGANISATIONS.

We have transferred over \$100 million in cash, quota and AFL shares, to those iwi that have been approved as MIOs. More than \$90 million was transferred in the period covered by this report.

Before any iwi can receive assets, Te Ohu Kaimoana must be satisfied that an iwi governance entity has been established and meets the criteria set down in the Maori Fisheries Act 2004 (the Act).

During the ten months to September 2005 Te Ohu Kaimoana passed the necessary resolutions (defined as special resolutions in the Act) to approve the governance entities for Ngapuhi, Whaingaroa, Te Aitanga a Mahaki, Ngati Rarua, Moriori, Ngati Mutunga (Chathams).

Since balance date Te Atiawa ki Whakarangotai, Ngai Takoto and Ngati Awa have also been approved.

We are also reporting a net surplus for the period of \$38.5 million.

The major contributions to this surplus have been:

- The receipt of the tax refunds associated with the change in tax status of the Treaty of Waitangi Fisheries Commission, and
- The increase in value of the AFL income shares held in trust for iwi

The original budget did not take into account either of these items nor the accumulation of interest that accrued on the tax refunds.

The details of the tax refunds have been previously described in both the final report of the Treaty of Waitangi Fisheries Commission and the half year report of Te Ohu Kaimoana presented at last years Hui-a-Tau. Refer to note 5 in the financial statements for a full explanation.

Revenue received by Te Ohu Kaimoana relating to the ACE rounds for the 1 October 2004 and 1 April 2005 years amounted to \$6.9 million. As described in the ACE round panui distributed to iwi, the income received from the sale of ACE is used to meet the Government and industry related levies and charges that apply to quota with the balance contributing to the running of the ACE rounds and general overhead costs.

FINANCIAL OVERVIEW

The budget set for Te Ohu Kaimoana last year was based on expected activities as assessed prior to the Trust's establishment. The absence of litigation, that has been a feature of the fisheries settlement in the past, and a focus on using and developing our own expertise have been the major contributors to the cost savings achieved over those budgeted.

The favourable variance achieved this year compared to budget means we have not needed any of the transitional funding provided for in the Act.

Aotearoa Fisheries Ltd reported a net profit after tax of \$13.5 million. This has been reported within Te Ohu Kaimoana as:

- Share of associate company profit – \$2.7million. This is the amount attributed to the 20% of income shares held by Te Ohu Kaimoana; and
- Increase in holding value of Aotearoa Fisheries Limited income shares held in trust for iwi – \$10.8 million.
- This is the amount attributable to the 80% of income shares to be transferred to iwi on a population basis once they become Mandated Iwi Organisations.

No dividend from AFL has been received or provided for as AFL is not required to pay dividends on income shares until Te Ohu Kaimoana has capitalised Te Putea Whakatupu and Te Wai Maori Trusts, in accordance with the Act. Capitalisation is required to occur on or before 31 October 2009.

A brief summary on Aotearoa Fisheries Limited is included within this report. A full annual report has already been distributed by AFL direct to iwi and is also available on their website.

With the passing of the Maori Fisheries Act 2004 the assets held within the Treaty of Waitangi Fisheries Commission were transferred to Te Ohu Kaimoana and Aotearoa Fisheries Limited. The assets received by Te Ohu Kaimoana were brought into the financial statements at a value of \$702 million. These assets made up the opening equity and reserves of the Trust.

The assets were divided into those to be retained by Te Ohu Kaimoana - \$90.5million - and those held for distribution to iwi or Te Putea Whakatupu Trust and Te Wai Maori Trust - \$611.6 million.

The net assets of the Trust at year end were \$648 million following the transfer of assets to iwi. The movements in equity and reserves are detailed in note 6 of the financial statements.

TE OHU KAIMOANA



FINANCIAL STATEMENTS

FOR THE 10 MONTHS 29 NOVEMBER 2004 TO 30 SEPTEMBER 2005

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TE OHU KAI MOANA TRUST AND GROUP
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE 10 MONTHS 29 NOVEMBER 2004 TO 30 SEPTEMBER 2005

	NOTES	GROUP 2005 10 mths Actual \$'000	2005 10 mths Actual \$'000	PARENT 2005 Unaudited Budget \$'000
Operating revenue from				
Te Ohu Kai Moana Trust activities	3	13,957	12,461	9,538
Pre Appointed Day taxation refunds	5	18,277	18,277	-
Share of associate company profit	11	2,702	2,702	-
Increase in holding value of Aotearoa Fisheries				
Limited income shares held in trust for iwi	12	10,808	10,808	-
ACE round disputes held in trust	6	224	224	-
TOTAL REVENUE		45,968	44,472	9,538
Operating expenditure	4	7,500	7,483	11,748
Operating surplus before taxation		38,468	36,989	(2,210)
Taxation	5	-	-	-
NET SURPLUS		38,468	36,989	(2,210)

The notes on pages 28 - 43 form part of and should be read in conjunction with these financial statements.

TE OHU KAI MOANA TRUST AND GROUP
STATEMENT OF MOVEMENTS IN EQUITY

FOR THE 10 MONTHS 29 NOVEMBER 2004 TO 30 SEPTEMBER 2005

	NOTES	GROUP 2005 10 mths Actual \$'000	2005 10 mths Actual \$'000	PARENT 2005 Unaudited Budget \$'000
Net surplus for year comprising:				
Trust equity & general reserves	6	26,281	24,802	(2,210)
Aotearoa Fisheries Limited income shares held in trust for iwi	6	10,808	10,808	-
ACE round disputes held in trust	6	224	224	-
Other Maori Fisheries Act classified reserves	6	1,155	1,155	-
Total Recognised Revenue and Expenses		38,468	36,989	(2,210)
Distribution to Beneficiaries				
Assets transferred to iwi	6	(92,044)	(92,044)	-
Movements in Equity for the Year		(53,576)	(55,055)	(2,210)
Opening equity		-	-	-
Equity transferred on 29 November 2004				
- Trust equity & general reserves		90,486	90,486	90,486
- Maori Fisheries Act classified reserves		611,573	611,573	611,573
	6	702,059	702,059	702,059
Equity at end of the period comprising				
- Trust equity & general reserves		116,767	115,288	88,276
- Maori Fisheries Act classified reserves		531,716	531,716	611,573
	6	648,483	647,004	699,849

The notes on pages 28 - 43 form part of and should be read in conjunction with these financial statements.

TE OHU KAI MOANA TRUST AND GROUP
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2005

	NOTES	GROUP 2005 30 Sept \$'000	PARENT 2005 30 Sept \$'000
EQUITY			
Trust equity & general reserves		116,767	115,288
Maori Fisheries Act classified reserves		531,716	531,716
TOTAL EQUITY	6	648,483	647,004
<i>Represented by:</i>			
CURRENT ASSETS			
Cash & bank balances		11,222	11,212
Financial investments	7	84,830	80,809
Receivables & prepayments	8	17,200	16,999
Total Current Assets		113,252	109,020
NON-CURRENT ASSETS			
Property, plant & equipment	9	507	507
Investments in subsidiaries	10	-	22,927
Investments in associates	11	80,098	60,098
Aotearoa Fisheries Limited income shares held in trust for iwi	12	199,218	199,218
Other investments	13	193	3
Quota shares	14	257,641	257,641
Total Non-Current Assets		537,657	540,394
TOTAL ASSETS		650,909	649,414
CURRENT LIABILITIES			
Payables & accruals	15	2,426	2,410
Total Current Liabilities		2,426	2,410
NET ASSETS		648,483	647,004

For, and on behalf of, the Trustee, who approved and authorised these financial statements on 20 December 2005.



Shane Jones
CHAIRMAN

The notes on pages 28 - 43 form part of and should be read in conjunction with these financial statements.

TE OHU KAI MOANA TRUST AND GROUP
STATEMENT OF CASH FLOWS

FOR THE 10 MONTHS 29 NOVEMBER TO 30 SEPTEMBER 2005

	GROUP 2005 10 mths \$'000	PARENT 2005 10 mths \$'000
CASH FLOW FROM OPERATING ACTIVITIES		
Cash was provided from:		
Receipts from the sale of ACE	5,747	4,430
Interest received	5,760	5,568
Pre Appointed Day taxation refunds received	2,930	2,576
	14,437	12,574
Cash was applied to:		
Trustee expenses represented by payments to suppliers and employees	8,167	8,146
Taxation paid – GST & RWT	423	336
	8,590	8,482
Net Cash Flow from Operating Activities	5,847	4,092
CASH FLOW FROM INVESTING ACTIVITIES		
Cash was provided from:		
Net proceeds from other investments	27	-
	27	-
Cash was applied to:		
Purchase of financial investments (net)	6,946	5,430
Purchase of fixed assets	226	226
	7,172	5,656
Cash Used in Investing Activities	(7,145)	(5,656)

The notes on pages 28 - 43 form part of and should be read in conjunction with these financial statements.

TE OHU KAI MOANA TRUST AND GROUP
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE 10 MONTHS 29 NOVEMBER TO 30 SEPTEMBER 2005

	GROUP 2005 10 mths \$'000	PARENT 2005 10 mths \$'000
CASH FLOW FROM FINANCING ACTIVITIES		
Cash was provided from:		
Repayment of advances from subsidiaries	-	323
	-	323
Cash was applied to:		
Distributions of cash to iwi	5,803	5,803
	5,803	5,803
Net Cash Flow from Financing Activities	(5,803)	(5,480)
NET INCREASE/(DECREASE) IN CASH HELD	(7,101)	(7,044)
Cash transferred on 29 November 2004	18,322	18,255
CLOSING CASH HELD	11,221	11,211
Represented by:		
Cash and bank balances	11,221	11,211
	11,221	11,211

The notes on pages 28 - 43 form part of and should be read in conjunction with these financial statements.

TE OHU KAI MOANA TRUST AND GROUP
RECONCILIATION OF NET SURPLUS AFTER TAXATION TO CASH FLOW FROM OPERATING ACTIVITIES

	GROUP 2005 10 mths \$'000	PARENT 2005 10 mths \$'000
NET SURPLUS AFTER TAXATION	38,468	36,989
Less non-cash items:		
Depreciation	(182)	(182)
Share of associated company surplus	2,702	2,702
Share of AFL income shares held in trust for iwi	10,808	10,808
Pre Appointed Day taxation refunds receivable	16,673	16,673
	(30,001)	(30,001)
Movements in Working Capital Items:		
(Increase)/Decrease in receivables & prepayments	(2,688)	(2,701)
(Increase)/Decrease in accrued interest	15	14
Increase/(Decrease) in tax payable	1,206	913
Increase/(Decrease) in payables & accruals	(1,153)	(1,122)
	(2,620)	(2,896)
NET CASH INFLOW FROM OPERATING ACTIVITIES	5,847	4,092

The notes on pages 28 - 43 form part of and should be read in conjunction with these financial statements.

TE OHU KAI MOANA TRUST AND GROUP
NOTES TO THE FINANCIAL STATEMENTS

FOR THE 10 MONTHS 29 NOVEMBER TO 30 SEPTEMBER 2005

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Te Ohu Kai Moana Trust (the Trust) was established under the Maori Fisheries Act 2004 (the Act). In accordance with the Act, the purpose of Te Ohu Kai Moana Trust is to advance the interests of iwi, individually and collectively, in the development of fisheries, fishing, and fisheries related activities in order to –

- (a) ultimately benefit the members of iwi and Maori generally; and
- (b) further the agreements made in the Deed of Settlement; and
- (c) assist the Crown to discharge its obligations under the Deed of Settlement and the Treaty of Waitangi; and
- (d) contribute to the achievement of an enduring settlement of the claims and grievances referred to in the Deed of Settlement

The Trust and its subsidiary company, Charisma Developments Limited, comprise the Te Ohu Kai Moana Trust Group.

These financial statements are presented in accordance with the Maori Fisheries Act 2004 and with New Zealand Generally Accepted Accounting Practice.

The financial statements are for the 10 month period ended 30 September 2005. There are no comparative figures for the period as the Trust was established on 29 November 2004.

EQUITY TRANSFERRED – 29 NOVEMBER 2004

On and from 29 November 2004 – the Appointed Day – all existing undertakings, assets and liabilities of the Treaty of Waitangi Fisheries Commission were vested in Te Ohu Kai Moana Trustee Limited, acting as trustee of the Te Ohu Kai Moana Trust. The fair values established as at the Appointed Day form the basis for the historical cost used for those assets and liabilities and are shown below:

	\$'000
Investments & cash	93,649
Investment in associates – Aotearoa Fisheries Limited	57,396
Aotearoa Fisheries Limited income shares held in trust for iwi	229,583
Quota shares	302,709
Other net assets	18,722
Total Net Assets 29 November 2004	702,059

Fair value for cash and financial investments was determined by the net realisable value of cash and investments held as at 29 November 2004.

Fair value for investment in associates was determined by taking the ownership share of net equity of associates as at 29 November 2004.

Fair value for Aotearoa Fisheries Limited income shares held in trust for iwi was determined by taking the ownership share of the net tangible assets as at 29 November 2004.

Fair value for the quota shares was determined by the Trustee obtaining an independent valuation of the total quota parcel held as at 29 November 2004.

All other assets and liabilities were recorded at their net realisable value as at 29 November 2004.

TE OHU KAI MOANA TRUST AND GROUP
NOTES TO THE FINANCIAL STATEMENTS

FOR THE 10 MONTHS 29 NOVEMBER TO 30 SEPTEMBER 2005

MEASUREMENT BASE

The measurement and reporting of financial performance, movements in equity, financial position and cash flows is based on historical cost, modified by the revaluation of certain assets. The reporting currency used in the preparation of these financial statements is New Zealand dollars.

2. SPECIFIC ACCOUNTING POLICIES

The following specific accounting policies, which materially affect the measurement of financial performance, movements in equity, financial position and cash flows have been established and consistently applied:

(i) BASIS OF CONSOLIDATION

Subsidiaries are entities in which the Trust has the capacity to determine the financing and operating policies and from which it has an entitlement to significant ownership benefits. The consolidated financial statements comprise the Trust and its subsidiary company – Charisma Developments Limited - accounted for using the purchase method of consolidation. This involves adding corresponding assets, liabilities, revenues and expenses on a line-by-line basis. All significant transactions between the group entities have been eliminated on consolidation. In the Trust's financial statements, investments in subsidiaries are recognised at cost.

Associated companies are companies over which the Trust has the capacity to exercise significant influence. Associated companies have been reflected in the parent and consolidated financial statements on an equity accounting basis, which shows the Trust Group's beneficial share of retained surpluses in the consolidated statement of performance, its share of total recognised revenues and expenses in the consolidated statements of movements in equity and its share of post acquisition increases or decreases in net assets in the consolidated statements of financial position.

(ii) ALLOCATION AND TRANSFER OF ASSETS TO IWI PER THE MAORI FISHERIES ACT 2004

Distribution of assets through allocation and transfer to Mandated Iwi Organisations or their Asset Holding Companies are recorded at the carrying value of the applicable asset in the financial statements.

(iii) TAXATION

The Trust and its wholly owned subsidiary have been recognised as charitable organisations by the Commissioner of Inland Revenue and are therefore exempt from income tax.

(iv) GST

These financial statements have been prepared on a GST exclusive basis with the exception of receivables and payables, which are stated inclusive of GST.

(v) INVESTMENTS

Investments have been accounted for as follows:

Investments in Government Stock and fixed rate bonds are recorded on a yield to maturity basis. Other financial investments are recorded at cost plus accrued interest.

Investments in subsidiaries are stated at cost.

Investments in associates are equity accounted, using the relevant share of the net equity value of the associate.

Aotearoa Fisheries Limited income shares held in trust for iwi are recorded at the ownership share of the net tangible assets of Aotearoa Fisheries Limited.

TE OHU KAI MOANA TRUST AND GROUP
NOTES TO THE FINANCIAL STATEMENTS

FOR THE 10 MONTHS 29 NOVEMBER TO 30 SEPTEMBER 2005

Other investments are stated at the lower of cost or net realisable value.

Dividend income is recognised in the statement of financial performance when received or provided for.

(vi) **QUOTA SHARES**

Quota shares are held at cost and tested annually for impairment. Adjustments for Total Allowable Commercial Catch changes or other causes of impairment are reported in the statement of financial performance.

(vii) **PROPERTY, PLANT & EQUIPMENT**

Property, plant and equipment (PP&E) are stated at cost less accumulated depreciation. Gains and losses on disposal of PP&E are taken into account in determining the operating result for the year.

Depreciation is provided on a straight line basis on all PP&E, except capital work in progress, at rates calculated to allocate the cost less estimated residual value over their estimated useful lives.

Major depreciation periods are:

Office Equipment	4-8 years
Fixtures & Fittings	6-8 years
IT Hardware	3-4 years
Software	3 years

Leasehold improvements are depreciated over the earlier of their economic life or the term of the lease.

(viii) **RECEIVABLES**

Receivables are valued at their estimated realisable value.

(ix) **LEASES**

The Trust has entered into operating leases for certain fixed assets. Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are charged to the statement of financial performance in the periods in which they are incurred.

(x) **EMPLOYEE ENTITLEMENTS**

Liabilities for annual and long service leave are accrued and recognised in the statement of financial position. Annual leave has been calculated on an actual entitlement basis at current rates of pay.

(xi) **FINANCIAL INSTRUMENTS**

Financial instruments recognised in the statements of financial position include cash and bank balances, investments, receivables and accounts payable. The particular recognition methods adopted are disclosed in the individual policy statements.

The net differential paid or received on interest rate swaps is recognised as a component of interest expense or revenue over the period of the agreement.

(xii) **CHANGES IN ACCOUNTING POLICIES**

All accounting policies have been applied consistently since the Trust was established on 29 November 2004.

TE OHU KAI MOANA TRUST AND GROUP
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE 10 MONTHS 29 NOVEMBER TO 30 SEPTEMBER 2005

3. OPERATING REVENUE

	GROUP 2005 10 mths Actual \$'000	2005 10 mths Actual \$'000	PARENT 2005 Unaudited Budget \$'000
Revenue from sale of ACE	8,201	6,897	6,615
Interest	5,746	5,554	2,908
Other	10	10	15
Total Revenue from Operating Activities	13,957	12,461	9,538

Annual Catch Entitlement (ACE) is the annual right to catch a specific amount of a relevant fish stock within the Quota Management System. ACE is allocated on the first day of the fishing year to the owner of the quota share from which it is generated. ACE is sold by Te Ohu Kaimoana to iwi organisations in accordance with section 152 of the Maori Fisheries Act 2004.

TE OHU KAI MOANA TRUST AND GROUP
NOTES TO THE FINANCIAL STATEMENTS

FOR THE 10 MONTHS 29 NOVEMBER TO 30 SEPTEMBER 2005

4. OPERATING SURPLUS

Included in the operating surplus before taxation is the reimbursement of Trustee expenses. The Trustee expenses are represented by the following operating expenses:

	GROUP 2005 10 mths Actual \$'000	2005 10 mths Actual \$'000	PARENT 2005 Unaudited Budget \$'000
Audit Fees:			
Ernst & Young			
auditing the Financial Statements	38	34	60
other services	-	-	-
Facilities and Rental	399	399	547
Salaries and Human Resource expenses	2,022	2,022	2,326
Travel and Accommodation	224	224	453
Remuneration of Directors	285	285	314
Legal Fees	464	464	1,200
Other Professional Services	170	170	1,518
Information Services	86	86	211
Representation Services	88	88	127
Quota Related Fees and Levies	3,003	2,990	3,329
Reporting and Accountability	288	288	400
Administration	258	258	1,088
Depreciation			
Fixtures and Fittings	12	12	12
Leasehold Improvements	37	37	37
Office Equipment	22	22	22
IT Hardware	47	47	47
Software	57	57	57
TOTAL OPERATING EXPENDITURE	7,500	7,483	11,748

TE OHU KAI MOANA TRUST AND GROUP
NOTES TO THE FINANCIAL STATEMENTS

FOR THE 10 MONTHS 29 NOVEMBER TO 30 SEPTEMBER 2005

5. TAXATION

The Trust & Group have been recognised as charitable organisations by the Commissioner of Inland Revenue and are therefore exempt from income tax.

Prior to the Appointed Day, the Commissioner of Inland Revenue agreed that the Treaty of Waitangi Fisheries Commission (the Commission) and its 100% owned subsidiaries were charitable organisations for the purposes of the Income Tax Act 1994. The period to which this decision applied was from the beginning of the 2001 taxation year until the Appointed Day, being 29 November 2004. Excluded from this qualifying group was the Moana Pacific Fisheries group of companies. The decision created a tax receivable, for those qualifying entities, for taxation paid for the period from the commencement of the 2001 taxation year to the Appointed Day.

The Maori Fisheries Act 2004 provided at section 195 that "if, after the appointed day, the Commissioner of Inland Revenue grants a refund in respect of taxation paid at any time before the appointed day by the Treaty of Waitangi Fisheries Commission" or any company or subsidiary of a company owned by the Commission, then he must "pay the full amount of the assessed refund (if any), together with any interest payable under Part VII of the Tax Administration Act 1994, to Te Ohu Kai Moana Trustee Limited."

The refunds of \$16.147m, plus interest of \$2.130m, are shown as revenue in the Statement of Financial Performance.

TE OHU KAI MOANA TRUST AND GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 10 MONTHS 29 NOVEMBER TO 30 SEPTEMBER 2005

6. TRUST EQUITY & RESERVES

	Transferred 29 Nov 04 \$'000	GROUP Movement for Period \$'000	Transfers to Iwi \$'000	Closing Balance \$'000
Trust Equity & General Reserves				
Capital & general reserves	85,486	25,991	-	111,477
Te Ohu Kai Moana Trust capital s137(1)(c)	5,000	290	-	5,290
	90,486	26,281	-	116,767
Maori Fisheries Act Classified Reserves				
Quota to be allocated s140 – s148	302,709		(45,068)	257,641
AFL income shares held in trust s139	229,583	10,808	(41,173)	199,218
Te Putea Whakatupu Trust capital s137(1)(a)	20,000	-	-	20,000
Te Wai Maori Trust capital s137(1)(b) & s103(3)	20,000	-	-	20,000
Cash top up for quota shortfall s137(1)(d)	8,186	-	(2,057)	6,129
Cash for minimum settlement s137(1)(d)	2,725	-	-	2,725
Te Wai Maori Trust transition s137(1)(e)(iii)	2,000	(18)	-	1,982
Te Putea Whakatupu Trust transition s137(1)(e)(ii)	5,000	(19)	-	4,981
Cash to iwi s137(1)(f)	20,719	1,192	(3,746)	18,165
ACE round disputes held in trust	651	224	-	875
	611,573	12,187	(92,044)	531,716
TOTAL EQUITY – GROUP	702,059	38,468	(92,044)	648,483
TOTAL EQUITY – PARENT	702,059	36,989	(92,044)	647,004

Trust equity is split into two sections to separately identify the reserves the Trust is required to maintain in accordance with the Act, until the assets are allocated and transferred to Mandated Iwi Organisations (MIO's) or their Asset Holding Companies. The Trust equity and general reserves show the equity with which the Trust is to operate throughout the transition period and beyond. The major items included here are the \$11m of transition funding provided by s137(1)(e)(i) of the Maori Fisheries Act 2004 (the Act) and the capital of the Trust. The Maori Fisheries Act classified reserves detail the amounts set aside by the Act for allocation and transfer to iwi. The relevant sections of the Act are included with the name of each reserve in the table above.

The Act requires that the Te Ohu Kaimoana Capital (\$5m) and cash to iwi (\$20.7m) accumulate earnings during the transition period. Both amounts are attributed interest on a monthly basis at the average rate of return of the total investment portfolio of Te Ohu Kaimoana. No costs are charged against these earnings and no premium deducted for the returns generated through being included as part of a larger investment pool.

The Parent total equity at balance date differs to the Group by the amount of surplus generated by Charisma Developments Limited, during the period.

TE OHU KAI MOANA TRUST AND GROUP NOTES TO THE FINANCIAL STATEMENTS

FOR THE 10 MONTHS 29 NOVEMBER TO 30 SEPTEMBER 2005

During September 2005 six iwi had Mandated Iwi Organisations (MIO's) recognised by Te Ohu Kaimoana and were allocated settlement assets, representing approximately 17% of total assets to be distributed. The six iwi were: Moriori, Ngati Mutunga (Chatham), Ngapuhi, Ngapuhi/Ngati Kahu ki Whaingaroa, Ngati Rarua, and Te Aitanga a Mahaki (refer to note 16).

These distributions have lead to a reduction in the amounts held in the balance sheet of Te Ohu Kaimoana for Quota, Investment in AFL and Cash. The amounts distributed total \$41.17m of AFL shares, \$45.07m of Quota and \$5.80m of cash.

ACE ROUND DISPUTES HELD IN TRUST

These funds have arisen from disputes over representation and mandate issues relating to quota lease and annual access distribution rounds. The funds are held on deposit awaiting resolution of each dispute. The 2004 amounts have been extracted from the final report of the Treaty of Waitangi Fisheries Commission for comparison purposes.

Residual income is taxed at the normal trustee rate of 33% and any distributions made from trust capital are distributed tax free.

All applicable taxes have been paid to the Inland Revenue Department. The amount of these taxes has been deducted from the pool of funds held on deposit. The entities involved in the disputes and the amounts being held, are listed below.

In some cases the amounts cover disputes involving several lease and annual access distribution rounds.

	2005 30 Sept \$	2004 29 Nov \$
Ngati Kahu	5,380	5,286
CRA 9 Iwi	84,096	59,855
Ngati Kuri	469,391	261,102
Rongomaiwahine / Kahungunu	192,857	173,905
Ngai Takoto	105,122	103,281
Coromandel Scallops	16,709	14,277
Ngati Ruanui	1,484	1,458
Tender proceeds on hand	-	32,146
Total ACE Round Disputes Held in Trust	875,039	651,310

TE OHU KAI MOANA TRUST AND GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 10 MONTHS 29 NOVEMBER TO 30 SEPTEMBER 2005

7. FINANCIAL INVESTMENTS

	Average Interest Rate % pa	GROUP 2005 30 Sept \$'000	PARENT 2005 30 Sept \$'000
Short Term Financial Investments	6.98	30,693	26,672
Government Stock	6.27	5,106	5,106
Other Term Investments	6.75	49,031	49,031
		84,830	80,809

Short term financial investments are normally held for 90 days or less, and are readily convertible to cash within 48 hours. Government Stock and other term investments including fixed rate bonds are normally held until maturity.

8. RECEIVABLES AND PREPAYMENTS

	GROUP 2005 30 Sept \$'000	PARENT 2005 30 Sept \$'000
Trade receivables	132	28
Other receivables	206	109
Prepayments	46	46
Pre Appointed Day Taxation Refunds	16,816	16,816
	17,200	16,999

Trade receivables are generated from the sale of ACE. Other receivables represent Goods and Services Tax & Resident Withholding Tax refunds receivable at balance date. Both amounts are recorded at their estimated realisable value. Prepayments are the unexpired portion of insurances and service contracts held at balance date. The pre Appointed Day refunds are described in note 5. The refunds have been agreed to and processed by the Commissioner of Inland Revenue. Te Ohu Kaimoana have then transferred these refunds to Tax Management New Zealand, who sell them on the Trusts behalf to other tax payers. The balance is expected to be fully received by March 2006.

TE OHU KAI MOANA TRUST AND GROUP
NOTES TO THE FINANCIAL STATEMENTS

FOR THE 10 MONTHS 29 NOVEMBER TO 30 SEPTEMBER 2005

9. PROPERTY, PLANT & EQUIPMENT

	GROUP 30 Sept 2005			PARENT 30 Sept 2005		
	Cost \$'000	Accum Depn \$'000	Book Value \$'000	Cost \$'000	Accum Depn \$'000	Book Value \$'000
Office Equipment	192	157	35	192	157	35
Fixtures & Fittings	187	141	46	187	141	46
IT Hardware	255	171	84	255	171	84
Leasehold Improvements	409	131	278	409	131	278
IT Software	241	179	62	241	179	62
Capital Work in Progress	2		2	2		2
TOTAL	1,286	779	507	1,286	779	507

10. INVESTMENTS IN SUBSIDIARIES

Te Ohu Kai Moana Trust is the 100% owner of Charisma Developments Limited (CDL), the sole operating subsidiary company of the trust. Ownership is via one hundred shares at \$1 per share of uncalled capital. CDL is a now a non-trading company after transferring Quota Shares to the Trust on 21 December 2005.

Significant Subsidiaries	Percentage Held 2005	Balance Date
Charisma Developments Limited	100%	30 September

TE OHU KAI MOANA TRUST AND GROUP
NOTES TO THE FINANCIAL STATEMENTS

FOR THE 10 MONTHS 29 NOVEMBER TO 30 SEPTEMBER 2005

11. INVESTMENTS IN ASSOCIATES

The Trust's investment in Aotearoa Fisheries Limited is shown as an Investment in Associates in the statement of financial position. Aotearoa Fisheries Limited is the entity that has amalgamated the commercial fisheries interests previously held by the Treaty of Waitangi Fisheries Commission. This includes the 50% shareholdings in the Sealord Group and Prepared Foods Limited and the businesses previously undertaken by Moana Pacific Fisheries Limited, Chatham Processing Limited, Pacific Marine Farms Limited and Prepared Foods Processing Limited.

The Maori Fisheries Act 2004 states that the Trust must retain control of 100% of the 125,000 voting shares and 20% of the 125,000 income shares in Aotearoa Fisheries Limited. The balance of the income shares are to be held in trust for iwi until they are allocated and are reported as a separate item in the balance sheet – see note 12. The difference between the Group and Parent Cost of Investment in Associates is due to Charisma Developments Limited (CDL) interest in AFL Investments Limited, a subsidiary of Aotearoa Fisheries Limited. The major asset of CDL is the redeemable preference share in AFL Investments Limited of \$20m, guaranteed by Aotearoa Fisheries Limited.

The non-interest bearing redeemable preference share (RPS) comprises 20 million shares with an issue price of \$1 per share. On liquidation of AFL Investments Limited the RPS will be repaid in priority to all amounts payable on liquidation of AFL Investments Limited.

	GROUP 2005 30 Sept \$'000	PARENT 2005 30 Sept \$'000
Share of Associates' pre tax surplus	2,702	2,702
Income Tax	-	-
Share of Associates' tax paid surplus	2,702	2,702
Dividends received and receivable from Associates	-	-
Equity Accounted Movement in Investment	2,702	2,702
Share of Increase/(Decrease) in Associates Equity since Acquisition	2,702	2,702
Cost of Investment in Associates	77,396	57,396
Equity Accounted Value of the Investment	80,098	60,098

TE OHU KAI MOANA TRUST AND GROUP
NOTES TO THE FINANCIAL STATEMENTS

FOR THE 10 MONTHS 29 NOVEMBER TO 30 SEPTEMBER 2005

12. AOTEAROA FISHERIES LIMITED INCOME SHARES HELD IN TRUST FOR IWI

The Act requires Te Ohu Kaimoana to hold in Trust 80% of the income shares, received on 29 November 2004, in Aotearoa Fisheries Limited (AFL) for allocation and transfer to iwi. Te Ohu Kaimoana has recorded the investment at the net tangible asset value of AFL. The opening value was determined by recording 80% of the net tangible asset value of AFL on 29 November 2004. 80% of the growth in the net tangible assets for the ten months to 30 September 2005 - represented by the surplus after tax - is added to the value of the asset held in trust. Allocation & transfer of income shares to iwi during the period is then deducted to leave the remaining value of income shares held in trust at 30 September 2005.

	GROUP 2005 30 Sept \$'000	PARENT 2005 30 Sept \$'000
Share of Aotearoa Fisheries Limited pre tax surplus	10,808	10,808
Shares Transferred to Iwi during the period	(41,173)	(41,173)
Movement in Shares held in trust	(30,365)	(30,365)
Opening Value of Shares held in trust – 29 November 2004	229,583	229,583
Closing Value of Shares held in trust	199,218	199,218
Represented by		
Share of Increase/(Decrease) in Net Tangible Assets since Appointed Day	8,956	8,956
Cost of Shares held in trust	190,262	190,262
Net Tangible Asset value of Income Shares held in trust	199,218	199,218

13. OTHER INVESTMENTS

	GROUP 2005 30 Sept \$'000	PARENT 2005 30 Sept \$'000
Other Investments in Unlisted Companies	193	3

The Parent investment reflects the Trust's shareholding in the Orange Roughy Management Company Limited. The Group investment recognises Charisma Developments Limited investment in Southern Abalone Limited. Both investments are held at cost.

TE OHU KAI MOANA TRUST AND GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 10 MONTHS 29 NOVEMBER TO 30 SEPTEMBER 2005

14. QUOTA SHARES

	GROUP 2005 30 Sept \$'000	PARENT 2005 30 Sept \$'000
Quota Shares	257,641	257,641

In accordance with the Group's accounting policies quota shares are recorded in these financial statements at cost. Cost is represented by the fair value of the quota parcel vested in the Trust on the 29 November 2004. The fair value of the quota parcel was determined through an independent valuation process. The parcel remaining as at 30 September 2005 - after the allocation and transfer to Mandated Iwi Organisations that occurred in September 2005 - was tested for impairment. The result of this impairment test was that the value of the remaining parcel was not impaired.

15. PAYABLES & ACCRUALS

	GROUP 2005 30 Sept \$'000	PARENT 2005 30 Sept \$'000
Trade Payables	733	729
Employee entitlements	332	332
Income Received in Advance	1,314	1,314
Other Payables	47	35
	2,426	2,410

Income received in advance is from the April 2005 ACE round. All income from the sale of ACE for the April fishing year is accrued in April and amortised over the twelve months of the fishing year. The revenue is then matched to the levies, charges and overhead expenses incurred on a monthly basis. The balance of income received in advance is the unamortised income for the six months from 1 October 2005 to 31 March 2006.

TE OHU KAI MOANA TRUST AND GROUP
NOTES TO THE FINANCIAL STATEMENTS

FOR THE 10 MONTHS 29 NOVEMBER TO 30 SEPTEMBER 2005

16. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties included:

Allocation and Transfer of settlement assets to Mandated Iwi Organisations and their Asset Holding Companies

The following table shows allocations to Iwi made during September 2005.

Iwi	Quota Shares \$'000	Cash \$'000	AFL Income Shares held in trust \$'000
Ngapuhi	18,845	3,849	37,960
Ngapuhi/Ngati Kahu ki Whaingaroa	359	73	721
Te Aitanga a Mahaki	791	161	1,594
Ngati Rarua	141	29	286
Mori	12,419	836	211
Ngati Mutunga	12,513	855	401
TOTAL	45,068	5,803	41,173

ACE Sales

Each year, ACE generated from the quota shares held by the Trust is sold to Iwi and their representative organisations. In the period ended 30 September 2005, \$2.1m of invoices were issued to related parties for the April 2005/2006 fishing year.

Disputed ACE Sales

Sale of ACE from disputes arising during the October 2004 and April 2005 ACE rounds required ACE to be sold to third parties at market value. Sales of this disputed ACE were made to Aotearoa Fisheries Limited at a market value determined by independent ACE brokers. Proceeds from these sales are held in trust for Iwi until disputes are resolved. Proceeds collected during the period amounted to \$658k, of which \$434k were paid out during the period.

Payments to Directors

Payments to Directors of the Trustee of the Trust are made by Te Ohu Kai Moana Trustee Limited. The expenses are recognised in the Trust as Trustee expenses.

Remuneration	\$'000
Shane Jones	86
Wira Gardiner	37
Rob McLeod	34
Rangimarie Parata Takurua	34
Archie Taiaroa	32
Koro Wetere	32
Dame Georgina Kirby	30
TOTAL	285

TE OHU KAI MOANA TRUST AND GROUP NOTES TO THE FINANCIAL STATEMENTS

FOR THE 10 MONTHS 29 NOVEMBER TO 30 SEPTEMBER 2005

Tautoko Maori Trust

The Hon Koro Wetere is a Director of Te Ohu Kai Moana Trustee Limited. He is also a trustee of the Tautoko Maori Trust (Tuhono). During the period, Te Ohu Kai Moana Trustee Limited paid \$344k to Tuhono for work carried out on the Maori Registration Service.

Cost Recovery Charges to Aotearoa Fisheries Limited

Te Ohu Kaimoana holds the head lease for levels one and four in Hitachi Data Systems (HDS) House in Wellington. Expenses incurred for facilities shared with AFL in HDS House, level 1, are on charged to AFL at cost. Total costs recovered from Aotearoa Fisheries Limited for the period total \$139k.

Trustee Expenses

As described in note 4, the Trust reimburses Te Ohu Kai Moana Trustee Limited for operating expenditure incurred in administering the assets of the Trust. These expenses totalled \$7.5m for the period.

The Trust holds a register of interests for all Directors and relevant staff.

17. CONTINGENT LIABILITIES

There are no contingent liabilities at 30 September 2005.

18. COMMITMENTS

	GROUP 2005 30 Sept \$'000	PARENT 2005 30 Sept \$'000
a) Capital Expenditure	-	-
b) Operating Lease Commitments		
Payable within one year	299	299
One to two years	296	296
Two to five years	281	281
Beyond five years	-	-
	876	876

19. FINANCIAL INSTRUMENTS

Exposure to credit and interest rate risk arise in the normal course of the Trust's business. The Group is risk adverse and has policies which seek to minimise its risk exposure from its treasury activities.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Trust, causing the Trust to incur a loss. Financial instruments that potentially subject the Trust to credit risk principally consist of bank balances, receivables, investments in Government Stock, medium term notes, promissory notes, interest rate swaps and the redeemable preference shares.

TE OHU KAI MOANA TRUST AND GROUP
NOTES TO THE FINANCIAL STATEMENTS

FOR THE 10 MONTHS 29 NOVEMBER TO 30 SEPTEMBER 2005

The Trust does not require any collateral or security to support transactions with financial institutions. The counterparties used for banking and finance activities are financial institutions with high credit ratings and sovereign bodies. The Trust limits the amount of credit exposure to any one financial institution.

The Trust has a receivable due from Tax Management New Zealand Limited, for pre Appointed Day taxation refunds, totalling \$16.816m. The money is held in trust by the Guardian Trust. The Group has no other significant concentrations of customer credit risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could impact on the return from investments.

The notional principal or contract amounts of interest rate contracts outstanding at balance date are:

	GROUP 2005 30 Sept \$'000	PARENT 2005 30 Sept \$'000
Interest rate swaps	10,000	10,000

These interest rate swap contracts have termination dates maturing between 29 September 2006 and 30 December 2006 and are at fixed rates ranging from 6.65% to 6.72%.

Fair Values

The estimated fair value of the Group's financial instruments is equivalent to the carrying values stated in the statement of financial position, except as detailed below.

	GROUP 2005 30 Sept Carrying Value \$'000	GROUP 2005 30 Sept Fair Value \$'000
Interest rate swaps	-	(49)

The following methods and assumptions were used to estimate the fair value of each class at balance date:

Interest Rate Swaps:

The fair value of these classes of financial instrument is estimated based on current interest rates and the maturity profile of all contracts entered into by the group as at 30 September 2005.

Credit Facilities

The Trust has a Business Mastercard Facility limit of \$50,000 and a Payroll Letter of Credit Facility limit of \$60,000.

20. EVENTS SUBSEQUENT TO BALANCE DATE

There were no events subsequent to balance date.

AUDITOR'S REPORT



Chartered Accountants

To the Trustee of Te Ohu Kai Moana Trust

We have audited the financial statements on pages 22 to 43. The financial statements provide information about the past financial performance of the trust and group and their financial position as at 30 September 2005. This information is stated in accordance with the accounting policies set out on pages 28 to 30.

Trustee's Responsibilities

As trustee you are responsible for the preparation of financial statements which comply with generally accepted accounting practice in New Zealand and fairly present the financial position of the trust and group as at 30 September 2005 and their financial performance and cash flows for the period ended on that date.

Auditor's Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the trustee and report our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the trustee in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the trust's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than our capacity as auditor we have no relationship with, or interest in, the trust.

Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements on pages 22 to 43:

- comply with generally accepted accounting practice in New Zealand; and
- fairly present the financial position of the trust and group as at 30 September 2005 and their financial performance and cash flows for the period ended on that date.

Our audit was completed on 20 December 2005 and our unqualified opinion is expressed as at that date.

Ernst & Young
Wellington

TE OHU KAIMOANA

CHARITABLE TRUST

FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2005

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TE OHU KAIMOANA CHARITABLE TRUST

The Charitable Trust Scholarship Programme was not as widely promoted as in previous years because of the transition from the Treaty of Waitangi Fisheries Commission to Te Ohu Kaimoana and its entities. Nevertheless the scholarship programme was able to support 145 students in the following streams of training:

- Tertiary-level courses leading to a range of professional and scientific qualifications,
- Management courses that assist in the development of iwi commercial fisheries resources, and
- Technical training courses in seafood processing, deepsea fishing and statutory marine qualifications.

Tertiary-level courses

Thirty seven students have completed a range of key qualifications from food technology to marine biology and aquaculture. Five of these students were completing doctorate studies with the remainder completing diplomas, undergraduate and masters qualifications.

The scholarship programme allows students to attend learning institutions throughout New Zealand and overseas. For some, this would not have been possible without the grants awarded.

Management Courses

Nine students received scholarships to complete a range of management qualifications from diplomas to Masters degrees in Business Administration.

Technical Training

Sixteen students attended courses in seafood processing and deepsea fishing at the Westport Deepsea Fishing School. Another 53 students completed marine and maritime qualifications at the Bay of Plenty Polytechnic.

Twenty six scholarships were awarded for statutory marine qualifications from deckhand certificates and engineering qualifications, local launch masters certificates and qualifications for mates and skippers.

Premier Scholarships

The Global Fisheries Programme, a joint venture training programme in Japan with Nippon Suisan Kaisha, Limited (Nissui), the co-owner of Sealord Group, is in its fourth year of delivery. Two students are currently in Japan studying and learning about international business and trade from Nissui, a leading company in this industry. They will complete their programme in September 2006.

He Ture Pumau is a joint venture scholarship with Hamish Fletcher Lawyers in Nelson. The scholarship supports a Maori law graduate or new lawyer to gain high-level qualifications in fisheries and maritime law. At the end of their training they are seconded to Te Ohu Kai Moana and Hamish Fletcher Lawyers for 12 months to work within the area of fisheries maritime law. Two students are currently on this programme studying MBAs through the Australian Maritime College in Tasmania.

Profile

Of the scholarships awarded, 42 percent were to women completing high-level academic studies, including aquaculture technology, bio-technology, economics, marine and oceanographic studies. Most of the 58 percent who were men are completing technical qualifications.

SCHOLARSHIP RECIPIENTS

TERTIARY

Name

Iwi

ANARU, William	Te Atiawa
BEATTIE, William	Tainui
BETTY, Gregory	Ngati Raukawa
BRADDOCK, Hineora	Taranaki
BUTTERWORTH, Joseph	Ngati Porou, Te Arawa
CLARKE, Hone	Te Arawa, Ngati Porou
CLARKE, Joey	Ngati Porou
DRUMMOND, Timothy	Ngati Kahu
DUNN, Amber	Te Aitanga a Hauiti, Te Whanau a Apanui
ELLIS, Kiamai	Ngaiterangi
FENWICK, Mark	Taranaki, Te Atiawa
GARDINER, Chevrolet	Ngaiterangi
GARDINER, Aaron	Ngaiterangi
GEORGE, Rawiri	Ngati Kahu
GEORGE, Kataraina	Te Arawa
GREAVES, Heta	Ngati Kahu, Ngapuhi
GREAVES, Maaki	Ngati Kahu
HAAMI, Michael	Te Aitanga a Mahaki
HAPPY, Samantha	Ngapuhi
HATI, Mary	Te Whanau A Apanui
HETARAKA, Ranginohoora	Ngati Kahu
HETARAKA, Victor	Ngati Kahu
HORNE, Ramon	Ngati Awanuiarangi
JACKSON, Tania	Ngati Kahu
JOHNSON, Kiwi	Ngati Porou
KAA, William	Ngati Porou
KAINAMU-WHEELER, Ani	Ngapuhi
KATENE, Te Puoho	Ngati Tama
KEARNEY, Michael	Ngati Kahungunu
KETTLE, Jacqueline	Ngati Awa, Whakatohea
MATTHEWS, Hemi	Ngati Kahu
MAXWELL, Kimberley	Whakatohea
MAY, Samuel	Ngai Tahu
MCLEOD, Lesley	Ngati Porou
MOORE, Josette	Te Arawa, Mataatua
MURRAY, Bridget	Ngati Porou, Ngai Tahu
OBERLIN-BROWN, Phillip	Ngapuhi
ORMSBY, David	Maniapoto
PAHINA, Marc	Ngati Porou
PAKU, Alana	Ngati Kahungunu, Ngati Raukawa

PERRY, Tersha
 PETERSEN, Aroha
 RAMEKA, Paku
 RAMEKA, Waiaria
 RANAPIA, Josephine
 REID, Robert
 SMITH, Shade
 SULLIVAN, Luke
 TAPUKE, Basil
 THORPE PARKER, Erina
 TOBIN, Patrick
 TOKI, Valmaine
 TOOMAN, Leah
 TUIMASEVE, Logan
 TUTARA, Jason

WI REPA, Nita
 WILLIAMS, Erica
 WILSON, Wayne
 WINETI, Francene

WITEHIRA, Celia

Ngapuhi
 Ngati Raukawa
 Ngati Kahungunu
 Tuwharetoa
 Ngati Awa
 Te Aupouri
 Te Rarawa
 Tuwharetoa
 Te Atiawa, Taranaki
 Ngati Kahungunu
 Ngati Kahu
 Ngapuhi, Ngati Wai
 Ngati Hikairo
 Ngati Kahungunu
 Ngati Tuwharetoa,
 Ngati Whatua
 Ngati Porou, Te Atiawa
 Te Arawa
 Ngati Porou
 Ngati Kahungunu,
 Te Ati Haunui a Paparangi
 Ngapuhi

MANAGEMENT

Name

Iwi

CRIBB, Gordon
 DODD, Tangihaere
 KARIPA, Simon
 PEINA, Kahureremoa
 PONGA, Santana
 POTAKA, Ben

RAUPUTU, Hohepa
 SCANLON, Michael
 WAETFORD, Esther

Te Ati Haunui a Paparangi
 Te Arawa
 Ngati Apa, Ngati Hauiti
 Te Ati Haunui a Paparangi
 Te Ati Haunui a Paparangi
 Te Ati Haunui a Paparangi,
 Whanau A Apanui
 Ngati Maniapoto
 Te Ati Haunui A Paparangi
 Ngapuhi

TECHNICAL

Name

Iwi

ANDERSON, Graeme
 BAZLEY, Absalom
 BROPHY, Jevon
 BROUGH, Solomon
 BROUGH, Rowan
 BROWN, Daniel

Ngai Tahu
 Ngai Tahu
 Ngapuhi
 Ngati Kahungunu
 Ngati Kahungunu
 Ngapuhi

SCHOLARSHIP RECIPIENTS

DAVEY, Hurae	Ngaiterangi	ROLLESTON, Kereti	Ngaiterangi
FRASER, Peter	Ngati Mutunga	ROUNTREE, Korowaenga	Ngapuhi
FREDRICSEN, Moanatai	Ngati Kahu	RURU, Selwyn	Te Aitanga a Hauiti
GARNHAM, Alexander	Te Atiawa	SARGENT, Aaron	Raukawa
GRANT, Anthony	Ngati Kahungunu	SAVAGE, Caleb	Te Whanau A Apanui
HARKER, Joseph	Ngati Kahungunu	SAVAGE, Sheideen	Te Whanau A Apanui
HARRIS, Clarke	Ngati Kahungunu	SIMEON, Luke	Ngapuhi, Ngati Kahu
HAURAKI, Thomas	Ngati Kahungunu	SOLOMON, Ashley	Te Atiawa
HOANI, Anthony	Ngati Mutunga	SYMON, Ronald	Te Aitanga a Mahaki
HOOK, David	Ngati Kahungunu	TAMATI, Jean	Ngati Kahungunu
HOOK, Jayne	Ngati Kahungunu	TERRY, Daniel	Rongomaiwahine
JENKINS, Irene	Nga Tamanuhiri,	THOMAS, Marlon	Ngati Mutunga
	Ngati Kahungunu	THOMAS, Warryn	Moriori, Ngati Mutunga
JOYCE, Robert	Ngapuhi	THOMPSON, Michael	Te Ati Haunui a Paparangi
KAHUKURA, Jade	Ngati Kahungunu	TOTORO, John	Ngati Porou
KAWA, Wayne	Tainui	TUANUI, Anthony	Te Atiawa
KEREAMA, Isaac	Ngai Tahu, Ngati Raukawa	TUANUI, Thomas	Ngati Mutunga
KUREI, Hoani	Te Whanau A Apanui	TUHIMATA, Thomas	Ngati Maniapoto
LANAUZE, Thomas	Ngati Mutunga	WAIHAPE, Sheena	Ngati Kahungunu
LAWSON, Jonathan	Ngati Kahungunu	WAITITI, Chelsey	Ngati Porou,
LEE, Amber	Ngati Paoa		Te Whanau A Apanui
LIDGARD, Wayne	Ngati Awa	WALLACE, Mahutonga	Te Atiawa
MAXWELL, Amohau	Ngati Porou	WHARTON, Jamaine	Tuhoe
MCCANN, Seamus	Ngati Kahungunu	WHITE, Leon	Ngati Kahungunu
MCCLUTCHIE, Marise	Ngati Kahungunu, Ngati Porou	WIHONGI, Te Koha	Ngapuhi, Ngati Porou
MCRAE, Haleigh	Te Arawa	WILLIAMS, Lily	Ngai Tahu, Ngati Kahungunu
MCROBERTS, Ryan	Ngati Porou	WILSON, Tony	Ngati Kahungunu
MIHAERE, Tama	Ngati Kahungunu	WILSON, Wirihana	Ngati Kahungunu
MILLS, Darryl	Ngapuhi		
MUIR, Steven	Te Aitanga a Mahaki		
NAHI, Anahera	Ngapuhi		
NEPE, Terry	Tuhoe, Ngati Porou		
NEPIA, Derek	Ngati Raukawa		
NORMAN, Dreddyn	Ngapuhi		
PAUL, Coug	Ngati Kahungunu,		
	Rongomaiwahine		
PAUL, Jamie	Ngati Kahungunu		
PHILLIPS, Roger	Ngapuhi		
PINKHAM, Bobby	Ngati Kahungunu		
POMARE, Clive	Ngai Tahu, Ngati Mutunga		
RAMSDEN, Jasmine	Tainui		
RATAHI, Clint	Taranaki		
RAURETI, Aaron	Rongomaiwahine		
RETI, Patrick	Ngati Kahungunu, Ngati Porou		
RIRI, Zhan	Te Whanau a Apanui		

GLOBAL LEARNING: >

Photos by Te Ohu Kaimoana Global Fisheries Scholarship recipient Francene Wineti, who has recently returned from Japan where she spent 12 months at Nippon Suisan Kaisha in Tokyo.

From top clockwise: a shrimp farm in Kyūshū; farmed kingfish; a kingfish farm in Kyūshū; a fish processor fillets a tuna at Kyūshū market; a selection of photos from Tsukiji fish market in Tokyo; squid processing in Hakodate, Hokkaido; and jellyfish at a Tokyo aquarium.



TE OHU KAI MOANA CHARITABLE TRUST
TRUSTEE'S REPORT
FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2005

Trustee of Te Ohu Kai Moana Charitable Trust is Te Ohu Kai Moana Trustee Limited

Prior to the incorporation of Te Ohu Kai Moana Trustee Limited on 29 November 2004, the trustee was the Treaty of Waitangi Fisheries Commission.

Registered Office of the Trustee:
4th Floor, Hitachi House
Thorndon,
WELLINGTON

The Trust's objectives are to

- (a) grant assistance to any Maori or group of Maori by way of education and training for the purpose of enabling that Maori or group of Maori to enter into or continue in or to develop the business and activity of fishing;
- (b) conduct and encourage research into matters affecting Maori fishing.

The Trust's objectives are unchanged from prior years.

For and on behalf of the Trustee



SHANE JONES
CHAIRMAN

TE OHU KAI MOANA CHARITABLE TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2005

	2005 \$	2004 Unaudited \$
Interest Income	145,721	143,783
Co-Sponsorship	18,000	14,000
Conference Registrations	-	1,068
GROSS INCOME	163,721	158,851
Global Fisheries Programme	125,899	44,945
Iwi Management Courses	33,093	44,830
Research	50,000	19,438
Scholarships - Non Specified	134,250	78,174
Scholarships - Te Ture Pumau	16,040	7,462
SITO Training	-	37,551
Training Courses	241,648	134,087
Other	14,873	346
TOTAL EXPENSES	615,803	366,833
NET SURPLUS (DEFICIT)	(452,082)	(207,982)

TE OHU KAI MOANA CHARITABLE TRUST
STATEMENT OF MOVEMENTS IN EQUITY
FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2005

	2005 \$	2004 Unaudited \$
Opening Balance brought forward	2,400,204	2,608,186
Net Surplus (Deficit)	(452,082)	(207,982)
Total Recognised Revenue & Expenses	(452,082)	(207,982)
Closing Balance carried forward	1,948,122	2,400,204

The notes on page 53 form part of and should be read in conjunction with these financial statements.

TE OHU KAI MOANA CHARITABLE TRUST
STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2005

	2005 \$	2004 Unaudited \$
Equity		
Retained Earnings	2,400,204	2,608,186
Current Year Earnings	(452,082)	(207,982)
TOTAL EQUITY	1,948,122	2,400,204
Represented by -		
Current Assets		
Cash at Bank	121,258	67,170
Investments	1,876,864	2,392,883
	1,998,122	2,460,053
Non-Current Assets	-	-
TOTAL ASSETS	1,998,122	2,460,053
Current Liabilities		
Payables	50,000	59,849
	50,000	59,849
Non-Current Liabilities	-	-
TOTAL LIABILITIES	50,000	59,849
NET ASSETS	1,948,122	2,400,204

Signed on behalf of the Trustee who authorised these financial statements for issue on 20 December 2005.



SHANE JONES
CHAIRMAN

The notes on page 53 form part of and should be read in conjunction with these financial statements.

TE OHU KAI MOANA CHARITABLE TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2005

NOTE 1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Te Ohu Kai Moana Charitable Trust was established in accordance with Te Ohu Kai Moana Charitable Trust deed dated 30 August 1994.

The trust's objectives are to

- (a) grant assistance to any Maori or group of Maori by way of education and training for the purpose of enabling that Maori or group of Maori to enter into or continue in or to develop the business and activity of fishing;
- (b) conduct and encourage research into matters affecting Maori fishing.

These financial statements are prepared in accordance with the Te Ohu Kai Moana Charitable Trust Deed.

MEASUREMENT BASIS

The measurement base adopted is that of historical cost. Reliance is placed on the fact that the entity is a going concern. Accrual accounting is used to match expenses and revenues.

SPECIFIC ACCOUNTING POLICIES

The following specific accounting policies, which materially affect the measurement of financial performance, movements in equity and financial position have been established and consistently applied.

Receivables:

Receivables are valued at expected realisable value.

Fixed Assets:

Fixed assets are recorded at cost less depreciation to date. All fixed assets, including buildings, are depreciated using the maximum rates allowed by the Inland Revenue Department.

Investments:

Investments are recorded at cost. Investment income, other than dividend income, is recognised on an accruals basis where appropriate.

Goods & Services Tax:

Income and expenditure items are stated inclusive of G.S.T.

Differential Reporting:

This entity qualifies for differential reporting under the Institute of Chartered Accountants of NZ reporting framework as it is not publicly accountable and there is no segregation between the owners and the governing body. This entity has taken advantage of all available differential reporting exemptions.

Income Tax :

The Department of Inland Revenue has designated this trust to be a charitable entity. It is therefore exempt from Income Tax, as reflected in these financial statements.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

NOTE 2. RELATED PARTIES

All administrative duties of the Trust are undertaken by Te Ohu Kai Moana Trustee Limited.

AUDITOR'S REPORT



Chartered Accountants

To the Trustee of the Te Ohu Kai Moana Charitable Trust (the "Trust")

We have audited the financial statements on pages 51 to 53. The financial statements provide information about the past financial performance of the trust and its financial position as at 30 September 2005. This information is stated in accordance with the accounting policies set out on page 53.

Trustee's Responsibilities

As trustee you are responsible for the preparation of financial statements which comply with generally accepted accounting practice in New Zealand and fairly present the financial position of the trust as at 30 September 2005 and its financial performance for the year ended on that date.

Auditor's Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the trustee and report our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the trustee in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the trust's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor we have no relationship with, or interest in, the trust.

Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements on pages 51 to 53:

- comply with generally accepted accounting practice in New Zealand; and
- fairly present the financial position of the trust as at 30 September 2005 and its financial performance for the year ended on that date.

Our audit was completed on 20 December 2005 and our unqualified opinion is expressed as at that date.

Ernst & Young

Wellington



AOTEAROA
fisheries limited

1

SUMMARY OF RESULTS

FOR THE 10 MONTHS ENDED 30 SEPTEMBER 2005

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Directors of Aotearoa Fisheries Limited	58

AOTEAROA FISHERIES LIMITED

Aotearoa Fisheries Limited (AFL) was established to operate and grow the commercial assets that were retained as part of the allocation model. In the 10-month period to 30 September 2005, AFL reported an after-tax profit of \$13.5 million from sales of \$89 million.

The positive net surplus resulted from a solid performance from the abalone business, a record contribution from Sealord Group Limited (Dec 2004 to 30 June 2005), profits on asset sales, and foreign exchange gains. AFL has published a separate report and this has been distributed to iwi.

The assets transferred to AFL from the Treaty of Waitangi Fisheries Commission were subsequently restructured into three operating divisions – inshore, abalone and aquaculture – plus the stand-alone investment in Sealord.

The net value of the assets and liabilities received by AFL has been valued at \$287 million in their balance sheet representing the capital contributed by the shareholders. In addition, the company issued \$20 million of redeemable preference shares to a subsidiary of Te Ohu Kai Moana Trustee Limited (Te Ohu Kaimoana) to repay a shareholder loan transferred to AFL as part of the asset transfer process.

For the 10-month period being reported, net cash flow from operating activities was \$7.3 million. Asset sales contributed a cash flow of \$13.2 million against quota purchases of \$10.8 million and capital expenditure of \$2.9 million. The capital expenditure was primarily to implement a new management information system in the inshore division and expand capacity at AFL's Palmerston North food processing factory. Cash generated during the period was used to reduce debt by \$7.2 million.

During the period, AFL entered into a joint venture processing business with Anton's Seafoods Limited based around Anton's processing plant in Auckland. The joint venture, Seafood Processors Ltd, is owned 50 percent by AFL and 50 percent by Anton's. As a result, AFL downsized its processing operations at Napier and Gisborne.

AFL has acquired a cornerstone position within the eel fishery through the purchase of Thomas Richards and Company, an eel processing business. AFL intends to leverage this investment in order to develop a profitable eel processing and marketing business, and importantly influence the sustainable management of the fishery in the North Island.

During the period, Prepared Foods Processing was successful in tendering to supply military ration packs to Britain's Ministry of Defence. This tender builds upon the already successful business that AFL, through Prepared Foods Processing, has in supplying the Australian and New Zealand defence forces. The board of AFL approved a \$5.2 million investment in the Palmerston North processing plant to enable it to increase capacity to meet the demand from the British contract and to further develop this business. Development of the factory commenced during the period and is scheduled for completion in December 2005, with the first production rolling off the lines for the British Defence forces in early 2006.

In accordance with section 35 (i) (c) of the Maori Fisheries Act 2004, Te Ohu Kaimoana approved AFL and its subsidiaries to undertake activities that are not fisheries, fishing or fisheries related activities to a level that does not exceed 5% of the total capital employed in the AFL Group. These activities primarily related to the food processing operations within Prepared Foods Processing Ltd.

AOTEAROA FISHERIES LIMITED
SUMMARY FINANCIAL DATA

FOR THE 10 MONTHS ENDED 30 SEPTEMBER 2005

	\$ million
Operating Revenue	112.4
Net Surplus after Tax	13.5
Current Assets	
Cash, Receivables and Inventories	31.3
Non Current Assets	
Investment in Associates	183.4
Quota Shares	135.3
Other (including property plant & equipment)	21.3
	340.0
Total Assets	371.3
Current Liabilities	8.2
Non Current Liabilities	42.6
Net Assets	320.5
Cash flow from Operating Activities used for Repayment of Debt	7.2

For a detailed report see the separately published Aotearoa Fisheries Limited annual report also available on the website www.afl.maori.nz

DIRECTORS OF AOTEAROA FISHERIES LIMITED

Robert McLeod, Chairman

Ngati Porou

Rob is a highly respected figure in corporate New Zealand and is a champion of Maori business development. He is the only Te Ohu Kai Moana Trustee Limited director to sit on the boards of both Te Ohu Kai Moana Trustee Limited and Aotearoa Fisheries Limited.

He has indepth knowledge of the Aotearoa Fisheries Limited businesses. He is currently Chair of the New Zealand Business Roundtable and a director of ANZ National Bank Limited, Gullivers Pacific Limited, SKYCITY Entertainment Group Limited, Tainui Group Holdings Limited and Telecom New Zealand Limited.

Rob is considered one of the country's top tax experts, and is qualified in law as well as commerce. He was part of the 1994 Inland Revenue Department's Organisational Review, and also chaired the 2001 Government Tax Review.

Craig Ellison

Ngai Tahu

Craig probably knows more about the business of Aotearoa Fisheries Limited and the fishing industry than any other director. He was a Treaty of Waitangi Fisheries Commissioner for more than a decade.

Craig is a former Chairman of Moana Pacific Fisheries Limited and the current Governor of Prepared Foods Limited. He has an active involvement in a range of fishing industry groups, including being an alternate director of the New Zealand Seafood Industry Council and a former President of the Fishing Industry Association.

Matanuku Mahuika

Ngati Porou, Ngati Raukawa

Matanuku is a partner in Kahui Legal. He has a strong background in commercial law and an intimate knowledge of the Maori fisheries settlement, including the subsequent litigation that occurred over the allocation of Maori fisheries assets.

He has extensive experience representing tribes in Treaty of Waitangi claims and settlement negotiations. He is currently the President of the Maori Lawyers Association and is often asked to comment on Maori legal issues.

Craig Norgate

Craig has 15 years' experience as a leader in the New Zealand dairy industry. He was CEO of Fonterra at its formation in 2001, and continued in that role until 2003. He has also been a director of the New Zealand Dairy Board and Mainland Products and the CEO of Kiwi Co-operative Dairies.

Craig has recently been in the news for the creation of PGG Wrightson Limited – now the country's largest rural supplies firm and wool broker. He has established credentials in both international trade and the rationalisation of large businesses, which are matters of considerable interest to Aotearoa Fisheries Limited.

Keith Sutton

Keith is a director of Sutton McCarthy Ltd, which provides strategic, financial, and treasury advice to corporates, SOEs, multinationals and other clients.

He is a current director of Sealord Group Limited and a former Chairman of the New Zealand Futures Exchange Ltd. He has a very successful background in the areas of investment banking and corporate finance, both in New Zealand and overseas.

FINANCIAL STATEMENTS

FOR THE 7 MONTHS ENDED 30 SEPTEMBER 2005

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TE PUTEA WHAKATUPU TRUST

Te Putea Whakatupu Trust and its corporate trustee were established on 2 March 2005 to promote the educational advancement of Maori, including within fisheries-related activities.

The trust fulfils an important component of the allocation model for the distribution of Maori Commercial Fisheries Assets. The trust manages funds and distributes its income for educational and training purposes. Its objective is to ensure the benefits are made available as widely as possible to all Maori. The trust is designing a programme of development that will meet the future direction of Maori fisheries and assist in the development of skills in business, innovation and leadership.

In carrying out its responsibilities, the trust must have regard to the interests of Maori who do not associate with their iwi or do not receive benefits from a MIO. The trust will receive \$20 million in capital on or before October 2009 and until then receives an operating budget of up to \$1 million each year from Te Ohu Kaimoana.

During the financial year, the trust held two meetings in which roles were clarified and a work programme agreed.

The scholarship programmes operated under the former Fisheries Commission have been reviewed. The review included analysing previous funding arrangements and objectives against the obligations of Te Ohu Kaimoana and Te Putea Whakatupu Trust.

Te Putea Whakatupu Trust has consequently agreed to take over a number of the scholarship programmes. Among those included are the technical programmes currently run through the Westport Deepsea Fishing School; Bay of Plenty Polytechnic's Marine Studies programme and the Maritime component of the Seafood and Maritime programme; all statutory marine scholarships, marine science, food technology and aquaculture programmes. These are expected to support the trust's future direction and its vision for Maori, as well as its statutory requirements.

Looking Forward

The next 12 months will be a year of research and development, testing, evaluating through to the production of a programme of development for Maori.

The Trust will:

- pilot a number of programmes over the next 12 months to gauge their effectiveness in meeting our overall direction. From this testing and pilot phase the Trust will offer a programme of development that will assist in business, leadership and innovation for Maori;
- develop a 5 year strategic plan that will meet the obligations set out in the MFA 2004. From this process the Trust can then focus on establishing policies, processes and procedures to operate effectively;
- work closely with tertiary providers, government agencies, iwi/Maori organisations and national and international companies to create worthwhile joint ventures and business relationships to enhance iwi and Maori skill sets; and
- with the assistance of Te Ohu Kaimoana, develop and implement an internal capacity strategy securing administration, financial, legal, policy and managerial support.

Appointments

Directors of Te Putea Whakatupu Trustee Limited, the corporate trustee of Te Putea Whakatupu Trust, are appointed for a period of four years.

Director	Date of appointment	Appointment term expires
June Jackson (Chairperson)	2 Mar 2005	1 Mar 2009
Wira Gardiner*	2 Mar 2005	29 Nov 2005
Teresa Tepania-Ashton	2 Mar 2005	1 Mar 2009

* Wira Gardiner resigned as a director on 29 November 2005. Rangimarie Parata Takurua was appointed in his place.

Remuneration

Remuneration received by the directors was:

Name of Director	Total Remuneration (\$)
June Jackson	8,000
Wira Gardiner	5,000
Teresa Tepania-Ashton	5,000

DIRECTORS OF TE PUTEA WHAKATUPU TRUST



June Jackson (Chairperson)
Ngati Maniapoto, Ngati Mutunga

June is the Tumuaki of the Manukau Urban Maori Authority in South Auckland and is an outspoken advocate on issues affecting urban Maori. From 2000-2004, she was a Commissioner on the Treaty of Waitangi Fisheries Commission and has a thorough knowledge of Maori fisheries issues and the existing scholarships programme. She has extensive experience in developing models of self-sufficiency and establishing small business initiatives.



Teresa Tepania-Ashton
Ngapuhi, Ngati Kahu ki Whaingaroa, Te Rarawa

Teresa is the CEO of Te Runanga a Iwi o Ngapuhi. She has 12 years experience in corporate banking with CITIBANK, has a Graduate Diploma in Maori Business Management and has worked with HortResearch as the Business development leader for Maori where she helped Maori develop land-based projects looking for accelerated pathways to industry and exporting.



Rangimarie Parata Takurua
Ngai Tahu, Ngati Kahungunu

Rangimarie is a business consultant and company director. She has played a leading role in establishing boards and management structures for Ngai Tahu and has had a long involvement in Maori business and economic development. She has served as a director with Ngai Tahu Holdings Corporation, the State Sector Standards Board, the University of Canterbury and GPS Pacific Limited. She is managing director of Parata Takurua Limited and a Trustee with Poutama Trust, Enterprise New Zealand Trust, Naku Te Ao Early Childhood Charitable Trust and Te Ahikaaroa Kapahaka Inc.

TE PUTEA WHAKATUPU TRUST TRUSTEE'S REPORT

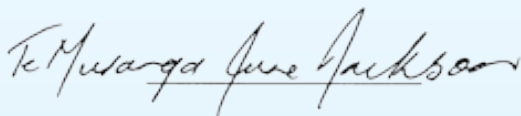
FOR THE 7 MONTHS ENDED 30 SEPTEMBER 2005

The Trustee of Te Putea Whakatupu Trust is Te Putea Whakatupu Trustee Limited

Registered Office of the Trustee:
4th Floor, Hitachi House
Thorndon,
WELLINGTON

The trust's objectives are to promote education, training and research including matters that relate to fisheries, fishing, and fisheries related activities.

For and on behalf of the Trustee



JUNE JACKSON
CHAIRPERSON

TE PUTEA WHAKATUPU TRUST STATEMENT OF FINANCIAL PERFORMANCE

FOR THE 7 MONTHS ENDED 30 SEPTEMBER 2005

	2005 \$
Distributions Received from Te Ohu Kai Moana Trust	18,287
GROSS INCOME	18,287
Trustee Expenses	18,287
TOTAL EXPENSES	18,287
NET SURPLUS (DEFICIT)	-
Provision for Tax	-
NET SURPLUS (DEFICIT) AFTER TAX	-

The notes on pages 64 - 65 form part of and should be read in conjunction with these financial statements.

TE PUTEA WHAKATUPU TRUST
STATEMENT OF MOVEMENTS IN EQUITY
FOR THE 7 MONTHS ENDED 30 SEPTEMBER 2005

	2005 \$
Opening Balance brought forward	-
Net Surplus (Deficit)	-
Total Recognised Revenue & Expenses	-
Closing Balance carried forward	-

TE PUTEA WHAKATUPU TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2005

	2005 \$
TOTAL EQUITY	-
Represented by -	
NET ASSETS	-

Signed on behalf of the Trustee who authorised these financial statements for issue on 20 December 2005.

Te Muianga June Jackson

JUNE JACKSON
CHAIRPERSON

The notes on pages 64 - 65 form part of and should be read in conjunction with these financial statements.

TE PUTEA WHAKATUPU TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 7 MONTHS ENDED 30 SEPTEMBER 2005

NOTE 1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Te Putea Whakatupu Trust was established pursuant to the Maori Fisheries Act 2004.

The Trust's objectives are to promote education, training and research including matters that relate to fisheries, fishing, and fisheries related activities.

The financial statements are for the 7 month period ended 30 September 2005. There are no comparative figures for the period as the Trust was established on 2 March 2005.

These financial statements are prepared in accordance with Te Putea Whakatupu Trust Deed.

MEASUREMENT BASIS

The measurement base adopted is that of historical cost. Reliance is placed on the fact that the entity is a going concern.

Accrual accounting is used to match expenses and revenues.

Costs of administering the trust are met from funds set aside within Te Ohu Kai Moana Trust (in accordance with the Maori Fisheries Act 2004) until the trust is fully capitalised.

SPECIFIC ACCOUNTING POLICIES

The following specific accounting policies, which materially affect the measurement of financial performance, movements in equity and financial position have been established and consistently applied.

Receivables:

Receivables are valued at expected realisable value.

Fixed Assets:

Fixed assets are recorded at cost less depreciation to date. All fixed assets, including buildings, are depreciated using the maximum rates allowed by the Inland Revenue Department.

Investments:

Investments are recorded at cost. Investment income, other than dividend income, is recognised on an accruals basis where appropriate.

Goods & Services Tax:

Income and expenditure items are stated exclusive of G.S.T.

Differential Reporting:

This entity qualifies for differential reporting under the Institute of Chartered Accountants of NZ reporting framework as it is not publicly accountable and there is no segregation between the owners and the governing body. This entity has taken advantage of all available differential reporting exemptions.

TE PUTEA WHAKATUPU TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 7 MONTHS ENDED 30 SEPTEMBER 2005

Income Tax:

The Department of Inland Revenue has designated the trust to be a charitable entity. It is therefore exempt from Income Tax, as reflected in these financial statements.

Changes in Accounting Policies:

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

NOTE 2. RELATED PARTIES

The Trust is funded by Te Ohu Kai Moana Trust as per the Maori Fisheries Act 2004.

Te Putea Whakatupu Trustee Limited is Trustee of the Trust and is reimbursed for expenses incurred in this role by the Trust. Administrative functions of the trust are undertaken by Te Ohu Kai Moana Trustee Limited.

AUDITOR'S REPORT



Chartered Accountants

To the Trustee of the Te Putea Whakatupu Trust (the "Trust")

We have audited the financial statements on pages 62 to 65. The financial statements provide information about the past financial performance of the trust and its financial position as at 30 September 2005. This information is stated in accordance with the accounting policies set out on pages 64 to 65.

Trustee's Responsibilities

As trustee you are responsible for the preparation of financial statements which comply with generally accepted accounting practice in New Zealand and fairly present the financial position of the trust as at 30 September 2005 and its financial performance for the period ended on that date.

Auditor's Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the trustee and report our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the trustee in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the trust's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor we have no relationship with, or interest in, the trust.

Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements on pages 62 to 65:

- comply with generally accepted accounting practice in New Zealand; and
- fairly present the financial position of the trust as at 30 September 2005 and its financial performance for the period ended on that date.

Our audit was completed on 20 December 2005 and our unqualified opinion is expressed as at that date.

Ernst & Young
Wellington



FINANCIAL STATEMENTS

FOR THE 7 MONTHS ENDED 30 SEPTEMBER 2005

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TE WAI MAORI TRUST

Te Wai Maori Trust was established on 2 March 2005. Te Wai Maori is an important component of the allocation model and its purpose is to advance the interests of Maori in commercial freshwater fisheries.

The trust manages funds and distributes its income to undertake or fund education and research related to Maori interests in freshwater fisheries. Its role is also to promote the protection and enhancement of freshwater fisheries habitats, particularly those that have traditionally supported iwi; promote the establishment of freshwater fisheries, and to use its resources to bring benefits to Maori in respect of freshwater fisheries interests.

It will receive up to \$2 million in operational funding over five years before receiving \$10 million in October 2009 and up to an additional \$10 million beyond that date with a minimum amount of \$1 million being received each year.

During the 2004-2005 financial year, the trust held two meetings in which roles were clarified and a work programme mapped out.

Looking Forward

The next 12 months will see the consolidation of a programme that best meets the purpose of the Trust.

We intend to:

- develop a range of initiatives that will protect and enhance freshwater fisheries, the habitat and the environment. A major component of our programme for 2006 will be an analysis of the industry. This will provide valuable information on how and where we should apply our funds, and it will assist in setting our future strategic direction. We expect to complete this research in the first half of the financial year.
- use the findings from the research to develop a five-year strategic plan. This will provide the basis for future annual plans and ensure that all activity is focused towards the achievement of the strategic outcomes.

- create strategic relationships with organisations that are prepared to invest in developing the industry further for the benefit of the stakeholders and in particular iwi/Maori.
- implement an internal capacity strategy in conjunction with Te Ohu Kaimoana that will ensure administration, financial, legal, policy and managerial support is provided to the trust.

Appointments

Directors of Te Wai Maori Trustee Limited, the corporate trustee of Te Wai Maori Trust, were appointed for a period of four years.

Director	Date of appointment	Appointment term expires
Prue Kapua	2 Mar 2005	1 Mar 2009
Morrie Love	2 Mar 2005	1 Mar 2009
Archie Taiaroa* (Chairperson)	2 Mar 2005	1 Mar 2009

* Archie Taiaroa stood down as chairperson on 29 November 2005, following his election as deputy chairperson of Te Ohu Kai Moana Trustee Limited. Morrie Love has been elected chairperson in his place.

Remuneration

Remuneration received by the directors was:

Name of Director	Total Remuneration (\$)
Prue Kapua	5,000
Morrie Love	5,000
Archie Taiaroa (Chairperson)	8,000

DIRECTORS OF TE WAI MAORI TRUST



Morrie Love

Te Atiawa

Morrie has a BA in economics and a Bachelor of Engineering (Agricultural). He has been involved in Maori resource management for many years. He has managed the Maori Secretariat (Maruwhenua) in the Ministry for the Environment advocating for the inclusion of the Treaty of Waitangi sections into the Resource Management Act. He has served as a director of the Waitangi Tribunal and is currently the Executive Officer for the Wellington Tenth Trust and the Palmerston North Maori Reserves, based in Wellington.



Prue Kapua

Te Arawa

Prue Kapua is a principal in her legal firm Tamatekapua Law, based in Auckland, specialising in resource management, Treaty of Waitangi issues, race relations, human rights and medico legal litigation. She worked for the Deputy Prime Ministers office from 1988-89 and she was the Chief Investigating Officer for the Race Relations Office from 1983-88. She has served as a member of the Environmental Risk Management Authority and is on the board for the Allan Wilson Centre for Molecular Ecology and Evolution.



Archie Taiaroa

Ngati Haua, Ngati Kurawhatia, Te Ati Haunui-a-Paparangi, Ngati Tuwharetoa, Ngati Apa, Ngati Maru.

Archie is a former Commissioner of the Treaty of Waitangi Fisheries Commission and facilitated the Commission's Freshwater Fisheries Sub-Committee. During the 1992 Maori fisheries negotiations, Archie was the Convenor of Maori Congress - a group charged with providing a forum for iwi to address issues on a national basis. Archie has had an active role in the Commission leading its work in customary fisheries - including marine mammals. He is currently the Chair of the Whanganui River Maori Trust Board.

TE WAI MAORI TRUST TRUSTEE'S REPORT

FOR THE 7 MONTHS ENDED 30 SEPTEMBER 2005

The Trustee of Te Wai Maori Trust is Te Wai Maori Trustee Limited.

Registered Office of the Trustee:
4th Floor, Hitachi House
Thorndon,
WELLINGTON

The Trust's objectives are to advance Maori interests in freshwater fisheries.

For and on behalf of the Trustee



MORRIE LOVE
DIRECTOR

TE WAI MAORI TRUST STATEMENT OF FINANCIAL PERFORMANCE

FOR THE 7 MONTHS ENDED 30 SEPTEMBER 2005

	2005 \$
Distributions Received from Te Ohu Kai Moana Trust	18,287
GROSS INCOME	18,287
Trustee Expenses	18,287
TOTAL EXPENSES	18,287
NET SURPLUS (DEFICIT)	-
Provision for Tax	-
NET SURPLUS (DEFICIT) AFTER TAX	-

The notes on pages 72 - 73 form part of and should be read in conjunction with these financial statements.

TE WAI MAORI TRUST
STATEMENT OF MOVEMENTS IN EQUITY
FOR THE 7 MONTHS ENDED 30 SEPTEMBER 2005

	2005 \$
Opening Balance brought forward	-
Net Surplus (Deficit)	-
Total Recognised Revenue & Expenses	-
Closing Balance carried forward	-

TE WAI MAORI TRUST
STATEMENT OF FINANCIAL POSITION
FOR THE 7 MONTHS ENDED 30 SEPTEMBER 2005

	2005 \$
TOTAL EQUITY	-
Represented by -	
NET ASSETS	-

Signed on behalf of the Trustee who authorised these financial statements for issue on 20 December 2005.



MORRIE LOVE
DIRECTOR

The notes on pages 72 - 73 form part of and should be read in conjunction with these financial statements.

TE WAI MAORI TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 7 MONTHS ENDED 30 SEPTEMBER 2005

NOTE 1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Te Wai Maori Trust was established pursuant to the Maori Fisheries Act 2004.

The Trust's objectives are to advance Maori interests in freshwater fisheries.

The financial statements are for the 7 month period ended 30 September 2005. There are no comparative figures for the period as the Trust was established on 2 March 2005.

These financial statements are prepared in accordance with Te Wai Maori Trust Deed.

MEASUREMENT BASIS

The measurement base adopted is that of historical cost. Reliance is placed on the fact that the entity is a going concern.

Accrual accounting is used to match expenses and revenues.

Costs of administering the trust are met from funds set aside within Te Ohu Kai Moana Trust (in accordance with the Maori Fisheries Act 2004) until the trust is fully capitalised.

SPECIFIC ACCOUNTING POLICIES

The following specific accounting policies, which materially affect the measurement of financial performance, movements in equity and financial position have been established and consistently applied.

Receivables:

Receivables are valued at expected realisable value.

Fixed Assets:

Fixed assets are recorded at cost less depreciation to date. All fixed assets, including buildings, are depreciated using the maximum rates allowed by the Inland Revenue Department.

Investments:

Investments are recorded at cost. Investment income, other than dividend income, is recognised on an accruals basis where appropriate.

Goods & Services Tax:

Income and expenditure items are stated exclusive of G.S.T.

Differential Reporting:

This entity qualifies for differential reporting under the Institute of Chartered Accountants of NZ reporting framework as it is not publicly accountable and is not large. This entity has taken advantage of all available differential reporting exemptions.

TE WAI MAORI TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 7 MONTHS ENDED 30 SEPTEMBER 2005

Income Tax :

The Department of Inland Revenue has designated the trust to be a charitable entity. It is therefore exempt from Income Tax, as reflected in these financial statements.

Changes in Accounting Policies

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

NOTE 2. RELATED PARTIES

The Trust is funded by Te Ohu Kai Moana Trust as per the Maori Fisheries Act 2004.

Te Wai Maori Trustee Limited is Trustee of the Trust and is reimbursed for expenses incurred in this role by the Trust. Administrative functions of the Trust are undertaken by Te Ohu Kai Moana Trustee Limited.

AUDITOR'S REPORT



Chartered Accountants

To the Trustee of the Te Wai Maori Trust (the "Trust")

We have audited the financial statements on pages 70 to 73. The financial statements provide information about the past financial performance of the trust and its financial position as at 30 September 2005. This information is stated in accordance with the accounting policies set out on pages 72 to 73.

Trustee's Responsibilities

As trustee you are responsible for the preparation of financial statements which comply with generally accepted accounting practice in New Zealand and fairly present the financial position of the trust as at 30 September 2005 and its financial performance for the period ended on that date.

Auditor's Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the trustee and report our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the trustee in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the trust's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor we have no relationship with, or interest in, the trust.

Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements on pages 70 to 73:

- comply with generally accepted accounting practice in New Zealand; and
- fairly present the financial position of the trust as at 30 September 2005 and its financial performance for the period ended on that date.

Our audit was completed on 20 December 2005 and our unqualified opinion is expressed as at that date.

Ernst & Young
Wellington

TAKUTAI TRUST

THE MAORI COMMERCIAL AQUACULTURE SETTLEMENT TRUST (TAKUTAI TRUST)

FINANCIAL STATEMENTS

FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2005

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TAKUTAI TRUST

The Maori Commercial Aquaculture Settlement Trust, known as Takutai Trust, was established during the financial year by the Maori Commercial Aquaculture Claims Settlement Act 2004 (Act). Takutai Trust is responsible for holding and distributing to iwi aquaculture organisations (IAO) assets transferred to it from regional councils and the Crown.

The Act provides “full and final” settlement of all Maori claims (current and future) over commercial marine farming in the coastal marine area. The settlement applies to aquaculture conducted from 21 September 1992 onwards and arises out of the Government’s initiatives over the past few years to review the application of the Resource Management Act and how it applies to marine farming and the coastal environment.

The settlement provides different assets for two situations:

- New marine farming space established after 1 January 2005, and
- Assets for the Maori share of pre-commencement space (20% of aquaculture space approved between 21 September 1992 and 31 December 2004).

For new marine farming space, when a regional council establishes an aquaculture management area (AMA), Takutai Trust will receive 20 percent of the authorisations for that space.

With pre-commencement space, the assets can be delivered in any of three ways:

- An increased percentage of a new AMA – up to an additional 20 percent in total,
- After 1 January 2008, by transferring established marine farms, or
- After 1 January 2013, by providing an amount of cash equivalent to the value of the pre-commencement space.

The settlement is a series of regional settlements based on regional council boundaries. When iwi organisations have met the minimum requirements under the Maori Fisheries Act to become a MIO, they can also become an Iwi Aquaculture Organisation (IAO). Once the last IAO in a region is approved, all IAOs within the region are able to agree have an opportunity to develop a regional agreement –how to share in the aquaculture assets for that region.

Takutai Trust is governed by its own legislation with Te Ohu Kai Moana Trustee Limited being the corporate trustee for the entity. A funding agreement has been reached between Te Ohu Kaimoana and the Ministry of Fisheries. Staff members have prepared the first annual plan for Takutai Trust and distributed it to iwi.

A major issue confronting Takutai Trust is the proposed application of coastal occupation charges by regional councils. The Resource Management Act enables regional councils to apply charges for coastal occupation, however, it remains unclear what these charges are for: whether they are a rental, a tax or cost recovery or environmental compensation. Any charge imposed will have a direct bearing on the viability of an aquaculture enterprise. A number of regional councils are now proposing to levy charges – some are pursuing other strategies to gain revenue from marine farms. Te Ohu Kaimoana is working with SeaFIC and the aquaculture industry to develop a set of principles that should apply to any charges being imposed. It is also participating in a court case that is seeking to define whether marine farms are in fact rateable.

TAKUTAI TRUST
TRUSTEE'S REPORT

FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2005

The Trustee for Takutai Trust is Te Ohu Kai Moana Trustee Limited

Registered Office of Trustee:
4th Floor, Hitachi House
Thorndon,
WELLINGTON

The Trust's objectives involve representing Maori interests in relation to the aquaculture settlement and holding, maintaining and transferring to iwi settlement assets received from the Crown and regional councils.

For and on behalf of the Trustee



SHANE JONES
CHAIRMAN

TAKUTAI TRUST
STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2005

	Actual 2005 \$	Budget Unaudited 2005 \$
Funding received from- Ministry of Fisheries	296,939	400,000
GROSS INCOME	296,939	400,000
Trust Expenses paid by Te Ohu Kai Moana Trustee Limited on behalf of the Trust.		
Administration	8,075	10,000
Depreciation	6,397	10,000
Facilities & Rental	14,270	15,000
Human Resources	141,875	150,000
Information Services	2,952	-
Professional Services	110,047	200,000
Representation Services	1,371	-
Travel & Accommodation	11,952	15,000
TOTAL EXPENSES	296,939	400,000
NET SURPLUS (DEFICIT)	-	-
Provision for Tax	-	-
NET SURPLUS (DEFICIT) AFTER TAX	-	-

TAKUTAI TRUST
STATEMENT OF MOVEMENTS IN EQUITY
 FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2005

	2005 \$
Opening Balance brought forward	-
Net Surplus (Deficit)	-
Total Recognised Revenue & Expenses	-
Closing Balance carried forward	-

The notes on pages 80 - 81 form part of and should be read in conjunction with these financial statements.

TAKUTAI TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2005

	Note	2005 \$
Capital		
Retained Earnings		-
TOTAL CAPITAL		-
Represented by -		
Current Assets		
Westpac Call Account		129,701
		129,701
Non-Current Assets		-
TOTAL ASSETS		129,701
Current Liabilities		
Ministry of Fisheries	2	129,701
		129,701
Non-Current Liabilities		-
TOTAL LIABILITIES		129,701
NET ASSETS		-

Signed on behalf of the Trustee who authorised these financial statements for issue on 20 December 2005.



SHANE JONES
CHAIRMAN

The notes on pages 80 - 81 form part of and should be read in conjunction with these financial statements.

TAKUTAI TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2005

NOTE 1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

The Maori Commercial Aquaculture Settlement Trust (Takutai Trust) was established pursuant to the Maori Commercial Aquaculture Claims Settlement Act 2004.

The Trust's objectives involve representing Maori interests in relation to the aquaculture settlement and holding, maintaining and transferring to Iwi settlement assets received from the Crown and regional councils.

The financial statements are for the 9 month period ended 30 September 2005. There are no comparative figures for the period as the Trust was established on 1 January 2005.

These financial statements are prepared in accordance with the Maori Commercial Aquaculture Settlement Act 2004.

MEASUREMENT BASIS

The measurement base adopted is that of historical cost. Reliance is placed on the fact that the entity is a going concern.

Accrual accounting is used to match expenses and revenues.

SPECIFIC ACCOUNTING POLICIES

The following specific accounting policies, which materially affect the measurement of financial performance, movements in equity and financial position have been established and consistently applied.

Receivables:

Receivables are valued at expected realisable value.

Fixed Assets:

Fixed assets are recorded at cost less depreciation to date. All fixed assets, including buildings, are depreciated using the maximum rates allowed by the Inland Revenue Department.

Investments:

Investments are recorded at cost. Investment income, other than dividend income, is recognised on an accruals basis where appropriate.

Goods & Services Tax:

Income and expenditure items are stated exclusive of G.S.T.

Differential Reporting:

This entity qualifies for differential reporting under the Institute of Chartered Accountants of NZ reporting framework as it is not publicly accountable and there is no segregation between the owners and the governing body. This entity has taken advantage of all available differential reporting exemptions.

Changes in Accounting Policies

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

TAKUTAI TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2005

NOTE 2. FUNDING FROM MINISTRY OF FISHERIES

On 5 August 2005 a funding agreement was signed with the Ministry of Fisheries. Funding from the Ministry of Fisheries will, from money appropriated by Parliament for that purpose, meet the reasonable costs and expenses of the Trustee in performing its duties under section 38(1) as required by the Act. The trustee will neither profit nor itself bear any of those costs or expenses as a result of carrying out those duties.

NOTE 3. RELATED PARTIES

The operations of the Trust are administered by Te Ohu Kai Moana Trustee Limited. Costs incurred by the Trustee are reimbursed by the Trust as they are incurred.

AUDITOR'S REPORT



Chartered Accountants

To the Trustee of the Maori Commercial Aquaculture Settlement Trust ("Takutai Trust")

We have audited the financial statements on pages 78 to 81. The financial statements provide information about the past financial performance of the trust and its financial position as at 30 September 2005. This information is stated in accordance with the accounting policies set out on pages 80 to 81.

Trustee's Responsibilities

As trustee you are responsible for the preparation of financial statements which comply with generally accepted accounting practice in New Zealand and fairly present the financial position of the trust as at 30 September 2005 and its financial performance for the period ended on that date.

Auditor's Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the trustee and report our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the trustee in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the trust's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor we have no relationship with, or interest in, the trust.

Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements on pages 78 to 81:

- comply with generally accepted accounting practice in New Zealand; and
- fairly present the financial position of the trust as at 30 September 2005 and its financial performance for the period ended on that date.

Our audit was completed on 20 December 2005 and our unqualified opinion is expressed as at that date.

Ernst & Young
Wellington

TE OHU KAI MOANA

TRUSTEE LIMITED

FINANCIAL STATEMENTS

FOR THE 10 MONTHS ENDED 30 SEPTEMBER 2005

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TE OHU KAI MOANA TRUSTEE LIMITED
DIRECTORS' REPORT

FOR THE 10 MONTHS ENDED 30 SEPTEMBER 2005

Directors:

The Directors for Te Ohu Kai Moana Trustee Limited for the period covered by this report were:
Wira Gardiner, Shane Jones, Dame Georgina Kirby, Archie Taiaroa, Rangimarie Parata Takurua, & Koro Wetere.
Wira Gardiner resigned on 29 November 2005.

Capital:

One Ordinary Share

Joint shareholder:

Wira Gardiner, Shane Jones, Dame Georgina Kirby, Archie Taiaroa, Rangimarie Parata Takurua, & Koro Wetere.

Registered Office:

4th Floor, Hitachi House
Thorndon,
WELLINGTON

The company's operations are to act as trustee for Te Ohu Kaimoana Trust, the Maori Commercial Aquaculture Settlement Trust and Te Ohu Kai Moana Charitable Trust.

For and on behalf of the Board



SHANE JONES
CHAIRMAN

TE OHI KAI MOANA TRUSTEE LIMITED
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE 10 MONTHS ENDED 30 SEPTEMBER 2005

	2005 \$ '000
Expenses Recovered from Te Ohi Kai Moana Trust and the Maori Commercial Aquaculture Settlement Trust	7,779
GROSS INCOME	7,779
TOTAL EXPENSES	7,779
NET SURPLUS (LOSS)	-
Provision for Tax	-
NET SURPLUS (LOSS) AFTER TAX	-

TE OHI KAI MOANA TRUSTEE LIMITED
STATEMENT OF MOVEMENTS IN EQUITY
FOR THE 10 MONTHS ENDED 30 SEPTEMBER 2005

	2005 \$ '000
Opening Balance brought forward	-
Net Surplus (Loss)	-
Total Recognised Revenue & Expenses	-
Closing Balance carried forward	-

The notes on pages 87 - 88 form part of and should be read in conjunction with these financial statements.

TE OHU KAI MOANA TRUSTEE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2005

	2005 \$ '000
TOTAL CAPITAL	-
Represented by -	
NET ASSETS	-

Signed on behalf of the Board of Directors who authorised these financial statements for issue on 20 December 2005.



SHANE JONES
CHAIRMAN

The notes on pages 87 - 88 form part of and should be read in conjunction with these financial statements.

NOTE 1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Te Ohu Kai Moana Trustee Limited is a company registered under the Companies Act 1993 and was incorporated on 29 November 2004.

The activities of the Company are restricted by the Maori Fisheries Act 2004 to acting as the Trustee of Te Ohu Kai Moana Trust. The Trustee is reimbursed from the Trust's funds for all costs it incurs in its capacity as trustee.

Part of this role includes the board of Te Ohu Kai Moana Trustee Limited acting as Trustee of Te Ohu Kai Moana Charitable Trust. In addition to this, the board of Te Ohu Kai Moana Trustee Limited holds a single share in Te Putea Whakatupu Trustee Limited and a single share in Te Wai Maori Trustee Limited.

Under the Maori Commercial Aquaculture Claims Settlement Act 2004 the company was also made trustee of the Maori Commercial Aquaculture Claims Settlement Trust (Takutai Trust). The company undertakes no other activities.

The financial statements are for the 10 month period ended 30 September 2005. There are no comparative figures for the period as the Company was incorporated on 29 November 2004.

These financial statements are prepared in accordance with the Companies Act 1993 and the Maori Fisheries Act 2004.

MEASUREMENT BASIS

The measurement base adopted is that of historical cost. Reliance is placed on the fact that the entity is a going concern.

Accrual accounting is used to match expenses and revenues.

SPECIFIC ACCOUNTING POLICIES

The following specific accounting policies, which materially affect the measurement of financial performance, movements in equity and financial position have been established and consistently applied.

Receivables:

Receivables are valued at expected realisable value.

Fixed Assets:

Fixed assets are recorded at cost less depreciation to date. All fixed assets, including buildings, are depreciated using the maximum rates allowed by the Inland Revenue Department.

Investments:

Investments are recorded at cost. Investment income, other than dividend income, is recognised on an accruals basis where appropriate.

Goods & Services Tax:

Income and expenditure items are stated exclusive of G.S.T.

TE OHU KAI MOANA TRUSTEE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 10 MONTHS ENDED 30 SEPTEMBER 2005

Differential Reporting:

This entity qualifies for differential reporting under the Institute of Chartered Accountants of NZ reporting framework as it is not publicly accountable and there is no segregation between the owners and the governing body. This entity has taken advantage of all available differential reporting exemptions.

Income Tax :

The company has no assessable income for the period as all expenses are recovered from Te Ohu Kai Moana Trust. As a result there is no income tax payable for the period.

Restriction on Operations

The activities of the Company are restricted by law to acting as the trustee of Te Ohu Kai Moana Trust and the Maori Commercial Aquaculture Settlement Trust.

Changes in Accounting Policies

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

NOTE 2. RELATED PARTIES

The Trustee administers both Te Ohu Kai Moana Trust and the Maori Commercial Aquaculture Settlement Trust and is reimbursed by these Trusts for all Trustee expenses. Te Ohu Kai Moana Trustee Limited also acts as Trustee for Te Ohu Kai Moana Charitable Trust.

AUDITOR'S REPORT



Chartered Accountants

To the Shareholders of Te Ohu Kai Moana Trustee Limited

We have audited the financial statements on pages 85 to 88. The financial statements provide information about the past financial performance of the company and its financial position as at 30 September 2005. This information is stated in accordance with the accounting policies set out on pages 87 to 88.

Directors' Responsibilities

The directors are responsible for the preparation of financial statements which comply with generally accepted accounting practice in New Zealand and give a true and fair view of the financial position of the company as at 30 September 2005 and of its financial performance for the period ended on that date.

Auditor's Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the directors and report our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the directors in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than our capacity as auditor we have no relationship with, or interest in, the company.

Unqualified Opinion

We have obtained all the information and explanations we have required. In our opinion:

- proper accounting records have been kept by the company as far as appears from our examination of those records; and
- the financial statements on pages 85 to 88:
 - comply with generally accepted accounting practice in New Zealand; and
 - give a true and fair view of the financial position of the company as at 30 September 2005 and its financial performance for the period ended on that date.

Our audit was completed on 20 December 2005 and our unqualified opinion is expressed as at that date.

Ernst & Young
Wellington

FOR YOUR NOTES



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TE OHU KAIMOANA DIRECTORY

Board of Directors

Shane Jones, Chairman	Ngai Takoto, Te Aupouri
Dame Georgina Kirby	Ngati Kahungunu
Robert McLeod	Ngati Porou
Rangimarie Parata Takurua	Ngai Tahu, Ngati Kahungunu
Archie Taiaroa	Ngati Haua, Ngati Kurawhatia, Te Ati Haunui-a-Paparangi, Ngati Tuwharetoa, Ngati Apa, Ngati Maru
Koro Wetere	Waikato

Registered Office

Level One Hitachi House Building
48 Mulgrave Street
Thorndon
Wellington

Postal Address

PO Box 3277
Wellington

Telephone

+64 4 931 9500

Facsimile

+64 4 931 9518

Website

www.teohu.maori.nz

Auditor

Ernst & Young

Bankers

Westpac Institutional Bank

Management Directory

Peter Douglas	Chief Executive
Peter Whittington	Chief Financial Officer Corporate and Governance
Craig Lawson	General Manager of Policy and Operations
Tamarapa Lloyd	General Counsel
Darrin Apanui	Human Resources and Capability Development Manager
John Diggins	Finance Manager
Paki Rawiri	Manager Asset Allocation and Transfer
Kirsty Woods	Manager Fisheries Development and Policy

HUI A TAU

The Annual General Meeting of
Te Ohu Kai Moana Trustee Limited
and Aotearoa Fisheries Limited
will be held at:

Pipitea Marae
Wellington

9.30am – 1.00pm, Saturday, 25 February 2006